

# **Austin & Austin Company**

February 12, 2007

United States Environmental Protection Agency Region II Edison, NJ 08837

Re: Request for Information dated 1/11/07 (Received 1/26/07)

- 1. a. Austin & Austin Company, P.O. Box 9047, Morristown, NJ 07963-9047
  - b. Partnership New Jersey 1970
  - c. Peter S. Austin, P.O. Box 9047, Morristown, NJ 07963-9047 973-819-5985

William E. Austin Trust - Ellen Austin - Trusteee 149M Airport Rd., Waitsfield, VT 05673 802-496-2620

Copy of Partnership Agreement enclosed.

- d. Peter S. Austin, P.O. Box 9047, Morristown, NJ 07963-9047
- 2. Austin & Austin Partnership Peter S. & William E. Austin Successor to Caroline Laundry, Inc., William B. Austin, President (deceased March 1970) NJ corporation established (?) dissolved 1972 (?)
- 3. a. Operation of a strip mall.
  - b. No changes since 1972..

Property 4.

- a. Peter S. Austin, 2051 Swainsons Run, Naples, FL 34105
- b Peter S. Austin & William E. Austin Trust
- c. Copy of Deed enclosed.
- d. March 1970 to Trustees under the last will & testament of William B. Austin

February 23. 1987 to William E. Austin & Peter S. Austin

- e. Father of Peter S. & William E. Austin
- f. (i) Various structures from 1940 (?) to 2006.

Estimated construction years:

1940/1945/1947/1950/1963/2002/2006

(ii) 1940 - 1970 Caroline Laundry, Inc. Laundry & drycleaning operation.

1970-1980 Morristown Memorial Hospital laundry

1972-2007 - Succession of tenants including:

Camera store/Computer store/Hair Salon/Auto Detailer/ Truck Tires/Limousine Repair/Drycleaner/Garden store/

# Austin & Austin Company

Florist/Insurance agency/Womens exercise/Cardiac care/Photographer/Edible floral arrangements 1700 SF addition to buildings 2000-2001 560 SF demolition 2002

5. a. Caroline Laundry, Inc.

**VIP Cleaners** 

Milano Cleaners

New Image Cleaners

b. Caroline Laundry, Inc. 1945(?) - 1972
 VIP Cleaners 1989 (?) - 10/31/96
 Milano Cleaners 10/31/96 - 6/2/01
 New Image Cleaners 6/2/01-2007

c, On premises drycleaning:

Caroline Laundry, Inc. - Transfer machine VIP Cleaners - Transfer machine Milano Cleaners - Transfer machine until 1998 (?) then Dry to Dry machine

New Image Cleaners - Dry to Dry machine

- d. Caroline Laundry, Inc Petroleum until 1952 (?) then Perchlorethylne. All others Perchlorethylene.
- e. All in the front portion presently occupied by New Image Cleaners.
- 6. a VIP Cleaners Din Ferezoli (Sonny Din) Current address unknown.
  Milano Cleaners Vito Meghnagi 19 Badger Drive, Livingston, NJ
  07039

New Image Cleaners - Jongsik Oh, 89 Morris St., Morristown, NJ 07960

b VIP Cleaners - 1989 (?) - 10/31/96 on sublease from Michele Arnold & Edourd

Milano Cleaners 1996 - 2001

New Image Cleaners - 2001 - 2006 on Assignment from Milano Cleaners. Extended to 3/31/07.

- c. Not applicable.
- d. Copy of Milano Cleaners lease enclosed.
- e. All on premises drycleaning.
- f. Perchlorethylene.
- g. All in the front portion presently occupied by New Image Cleaners.
- h. Unknown.
- 7.. Yes -Sludge from drycleaning machine filters
- 8. Caroline Laundry, Inc. cooked to powder perchlorethylene reclaimed powder removed by waste hauler.

  VIP Cleaners/Milano Cleaners/New Image Cleaners sludge/powder removed by chemical removal companies.

# Austin & Austin Company

9.		Caronne Laundry, Inc. an deceased.
10.		None
11.		None
12.		None
13.	a. b. c. d. e.	Yes PMK Group, Union, NJ & Anco Environmental Contractors, Millington, NJ Certificate of approval from BUST 1992 Petroloem contaminted soild removed. In front of current State Farm Insurance location. To be retreived from storage.
14.	a. b, c.	None Water supply well in front of currrent State Farm Insurance location. Currently inactive - anticipated use for irrigation. All in front area of building currently occupied by New Image Cleaners.
15.	a. b.	Unaudited financial statements and tax returns enclosed.  Property at 89 Morris St., Morristown.  12/31/06 Mortgage balance. \$ 102,068  12/31/06 Parttner loan balance \$ 149,417  Peter S. Austin & William E. Austin Trust/First Morris Bank
16.	a.	Caroline Laundry, Inc. may have had policies without polution exclusion endorsement - no copies available. All later policies include pollution excl,usion endorsement.
17.	No.	
18.	None.	

# CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of FLORISM
County of CULLIER

PERMIT AREA TRANS

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents

submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

NAME (print or type)

53M7STEST

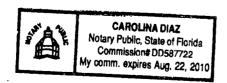
FOS CHIZZUEL & CHIZZUEL

TITLE (print or type)

Sworn to me before this

12 day of <u>Feway</u>, 2007

Notary Public



FEB 20 2001

# PARTNERSHIP AGREEMENT

between

WILLIAM E. AUSTIN

and

PETER S. AUSTIN

as of

October 19, 1988

December 2,

DOWNS RACHLIN & MARTIN
BURLINGTON
AND

ST. JOHNSBURY, VERMONT

# TABLE OF CONTENTS

ARTICLE	I <u>Ge</u>	neral	Provision	1
	Section	1.2	Name	1
ARTICLE	II Pu	rposes	<u>s</u>	2
	Section	2.1	General	2
ARTICLE	III <u>Te</u>	rm of	Partnership	3
	Section	3.1	General	3
ARTICLE		oital, stribu	Profits and Losses, and	3
	Cootion		Combbal Assessed	_
	Section Section		• · · · · · · · · · · · · · · · · · · ·	
	Section		Initial Capital Contributions Additional Contributions, Interest,	
			and Withdrawals	
	Section	4.4	Profits and Losses	4
	Section	4.5	Distributions of Available Cash	4
ARTICLE	V Boo	oks of	f Account	5
			General	
ARTICLE	VI Adr	ninist	crative Provisions	5
	Section	6.1	Regular Business	5
	Section	6.2	Major Decisions	6
	Section	6.3	Bank Accounts	6
	Section	6.4	Bank Accounts	7
ARTICLE			ation, Drawing Accounts	
	Section	7.1	General	7
ARTICLE	VIII <u>Vol</u>	<u>luntar</u>	ry Dissolution	7
	Section	8.1	Winding Up the Partnership	7
•	Section	8.2	Balance Owed by a Partner	
ARTICLE	IX <u>Tra</u>	nsfer	s of Partnership Interests	8
	Section	9.1	Successors	8
•			Right of First Refusal	9
	Section			. 10
			Purchase Price	
	Section	9.5	Terms of Payment	. 12
	Section	9.6		. 13

											١.	٠.						
		•												•				
•													•					
					·							**						
		Conti		0 7	7.7 d da 3. a		5											
		Secti	On	9.7	Withd	rawal	or R	etire	emen	t .	• •	•	• •	•	13	•		
		Sect1	OII	7.0	NOCIC	es, et	С.	• •	• •	• •	•	•	• •	•	14		•	
ARTICLE	х		Tas	. Mati	tore .										7.4			
		•		1140		• • •	• •	• •	• •	•	• •	•	• ,•	•	14			
		Section	on	10.1	Tax	Matter	s Par	rtnei						_	14			
•		Section	on	10.2	Tax	Filing	s.							•	14			
ARTICLE	X:	I j	Res	solut:	<u>lon of</u>	Dispu	<u>tes</u>					•		•	15			
		<b>a</b> 1																
		section	on	11.1	Arbi	tratio	n.	• •	• •	• •	•	•	• •	٠	15			
ARTICLE	X.	ו דר	Wid	.cella	neoue	Provi	sion	_							•			
	•	* <b>-</b> •	<u> </u>	oce 110	meous	FLOAT	STORE	<b>≥</b> • `	• •	• •	•	•	• •	•	15			
		Section	on	12.1	New	or Add	ition	al F	arti	ners					15			
		Section	on	12.2	Capt	ions,	Headi	inas			•	•	• •	•	15			
		Section			Enti:	re Agr	eemer	it.							15			
		Section			Gove	rning	Law					•			16			
		Section			Succ	essors	and	Assi	gns					•	16			
	•	Section	on	12.6		ces .					•		• •	•	16			
		Section	on	12.7	Atto:	rney's	Fees	•			•				16			
		Section	on	12.8	Amen	dment	• •	• •	• •	• •	•	•	• •	•	17			
-																		
		•																
`													•					
						*												
•																		
									•									
	•				•													
					•	•		٠										
		•																
		•																
•																		
					. ,													
					•													

# PARTNERSHIP AGREEMENT

THIS AGREEMENT is made as of the 19th day of October,

1988, between WILLIAM E. AUSTIN, of Waitsfield, Vermont, and

PETER S. AUSTIN, of Naples, Florida. Each of the parties to
this Agreement is sometimes hereinafter referred to as a

"Partner", and both are sometimes hereinafter referred to
collectively as the "Partners".

### WITNESSETH:

WHEREAS, the Partners wish to form a Partnership as a vehicle for the conduct of the business which they propose to carry on together and to specify the terms by which such Partnership's operations and the Partners' dealings one with another shall be regulated.

#### NOW THEREFORE:

In consideration of the premises, and the mutual promises contained herein, the parties hereto do hereby agree as follows:

#### ARTICLE I

## General Provision

Section 1.1 Name. The name of the Partnership shall be Austin & Austin Company.

Section 1.2 Principal Place of Business. The Partnership's principal place of business shall be 299 Speedwell Avenue, Morris Plains, New Jersey, or such other place as the Partners shall hereafter mutually determine.

<u>Section 1.3</u> <u>Partnership Interests</u>. Each party to this Agreement shall be a general partner. The interest of each

Partner in the Partnership, expressed as a percentage ("Percentage Interest") shall be as follows:

William E. Austin

50%

Peter S. Austin

50%

Unless this Agreement specifically provides otherwise, all Partners shall have equal voting rights in the management of the Partnership business.

#### ARTICLE II

#### Purposes

Section 2.1 General. The business purpose of the Partnership shall be to acquire, own, develop, construct, manage, administer, lease, sublease, assign, sell and otherwise deal with the following properties (the "Properties"):

- 1. The premises known as 83-89 Morris Street, Morristown, New Jersey.
- The premises known as Unit #102, Tiffany Court, 1069
   8th Street South, Naples, Florida.

The Partnership may engage in such other businesses and hold such other assets and investments as the Partners may from time to time agree, and in furtherance of its business purposes it may enter into joint ventures, partnerships, limited partnerships or other business relationships with others, and take such further action as may be necessary or appropriate to the accomplishment of the foregoing business purposes, including in particular the borrowing of funds as may be required for the

Partnership to carry on its business, defray its operating expenses, and discharge its obligations.

#### ARTICLE III

## Term of Partnership

Section 3.1 General. The term of the Partnership shall commence on the date of this Agreement and shall continue until the 1st day of September, 2038, unless the Partnership is sooner dissolved and liquidated as hereinafter provided.

#### ARTICLE IV

# Capital, Profits and Losses, and Distributions

Section 4.1 Capital Accounts. Each Partner shall have a capital account maintained in accordance with the terms of this Agreement. The capital contributed or withdrawn by a Partner shall be credited or debited to such Partner's capital account.

Section 4.2 Initial Capital Contributions. On the date of this Agreement, each Partner has transferred to the Partnership his undivided one-half interest in the Properties. Each Partner's capital account shall be credited initially with one-half the value of the Properties.

Section 4.3 Additional Contributions, Interest, and Withdrawals. The Partners shall not be obligated to make additional contributions to the capital of the Partnership. Unless otherwise agreed, no interest shall be payable on any capital contributed to the Partnership. No Partner shall withdraw any capital from the Partnership without the consent of the other Partner.

Section 4.4 Profits and Losses. The profits and losses of the Partnership, determined as hereinafter set forth, and all items of income, gain, loss, deduction and credit, shall be allocated by the Partners in proportion to the Partners' respective Percentage Interests. A Partner's share of Partnership profits shall be credited to, and his share of Partnership losses shall be charged to, such Partner's capital account.

Section 4.5 Distributions of Available Cash. All cash received by the Partnership from the operation of the business of the Partnership, from loans to the Partnership, and from capital contributions by the Partners, shall be applied initially to pay all operating expenses, satisfy all obligations and discharge all liabilities of the Partnership, including, without limitation, all loans plus interest (whether such loans are from third parties or any Partner), and to establish a reasonable reserve for current expenses, working capital and contingencies. The amount of available cash held by the Partnership and not needed to pay such expenses, satisfy such obligations, discharge such liabilities and establish such reserve ("Available Cash") shall be determined from time to time and shall be distributed at least annually pro rata to the Partners in proportion to their respective Percentage Interests. distributions to the Partners other than Available Cash shall be made without the prior approval of the Partners except upon

dissolution and winding up of the Partnership. All distributions received by a Partner shall be charged to his capital account.

### ARTICLE V

## Books of Account

Section 5.1 General. The books of account of the Partnership shall be kept on a calendar year cash basis. Said books of account shall be kept at the offices of the Partnership, and shall at all times be available and open to the inspection of the Partners. Annual financial statements shall be prepared by the Partnership, and the books of account and annual financial statements shall be reviewed each year by an accounting firm approved by the Partners.

#### ARTICLE VI

# Administrative Provisions

Section 6.1 Regular Business. Each Partner, acting alone, shall have full power and authority to conduct or cause to be conducted the ordinary and usual business and affairs of the Partnership in accordance with this Agreement including, without limitation, the power and authority to employ at the Partnership's expense such persons, firms or companies as the Partner shall determine for managing and maintaining the Properties and for keeping books and records and preparing financial statements and returns as required by this Agreement and the power to execute, acknowledge and deliver agreements, instruments and other documents on behalf of the Partnership.

Section 6.2 Major Decisions. Notwithstanding Section 6.1, no Partner shall employ either the capital or credit of the Partnership otherwise than in the regular course of the Partnership business, nor shall any Partner, without the prior written approval of all the Partners, take any of the following actions:

- (a) Borrow or lend money on behalf of the Partnership.
- (b) Execute any contract, mortgage, bond, security agreement, or other commitment on behalf of the Partnership or relating to Partnership property or enter into any agreement to do so, except in the ordinary course of the Partnership business.
- (c) Assign, transfer or pledge any debts due the Partnership or release any debts due, except on payment in full.
- (d) Compromise any claim due to the Partnership or submit to arbitration any dispute or controversy involving the Partnership.
- (e) Become bail or surety, or lend, spend, give, or make away with any part of the Partnership property or draw or accept any bills, notes or other security in the name of the Partnership business outlined above.
- (f) Make any purchase involving more than One Thousand Dollars (\$1,000).

Section 6.3 Bank Accounts. The Partnership shall maintain a bank account in its own name, into which all Partnership

receipts shall be deposited and from which all Partnership disbursements shall be made. Each Partner may sign checks on behalf of the Partnership without limitation as to amount, but subject always to the applicable restrictions set forth in paragraphs (a) through (f) of Section 6.2 hereof.

Section 6.4 Obligations of Each Partner. Each Partner shall devote such working time and attention to the business of the Partnership as shall be reasonably required. Notwithstanding the foregoing, each Partner recognizes that this Partnership is not the sole business of the other Partners. This Agreement shall not be construed as giving any Partner an interest in any other property or project of another Partner, or as restricting the activities of any Partner, whether or not such activities are competitive or incompatible with those of this Partnership.

#### ARTICLE VII

### Compensation, Drawing Accounts

<u>Section 7.1 General</u>. Except as otherwise specifically voted by the Partnership, no Partner shall be entitled to receive compensation for services rendered to the Partnership, nor shall there be any Partners' drawing accounts.

#### ARTICLE VIII

### Voluntary Dissolution

Section 8.1 Winding Up the Partnership. Dissolution of the Partnership shall be as provided by applicable law. Upon any such dissolution, the Partnership shall immediately commence to wind up its affairs. During liquidation the Partners shall

continue to share profits and losses in the same proportions as before dissolution. The proceeds from liquidation of Partnership assets shall be applied in the following order:

- (a) Liabilities of the Partnership owing to creditors other than Partners.
- (b) Liabilities of the Partnership owing to Partners otherwise than for capital and profits.
- (c) Liabilities of the Partnership owing to Partners in respect of capital.
- (d) Liabilities of the Partnership owing to Partners in respect of profits.

Section 8.2 Balance Owed by a Partner. Should any Partner, upon liquidation of the Partnership, have a debit balance in his capital account, whether by reason of losses in the liquidation of Partnership assets or otherwise, the debit balance shall represent an obligation from him to the Partnership, to be paid in cash within thirty (30) days after written demand.

#### ARTICLE IX

### Transfers of Partnership Interests

Section 9.1 Successors. Any transferee of an interest of any Partner in the Partnership shall take such interest subject to this Agreement. No transferee shall become a Partner of the Partnership or be entitled to the rights of a Partner in the Partnership unless such transferee executes an instrument agreeing to be bound by this Agreement.

Section 9.2 Right of First Refusal. Subject to the last sentence of this Section 9.2, no Partner shall voluntarily sell, assign, give, encumber or otherwise transfer his interest in the Partnership, except as a whole, and then not unless such Partner or his legal representative, in the case of a transfer to take effect at the death of a Partner (such Partner or representative being hereinafter called the "Offeror") shall first offer in writing to sell his interest to the other Partner (the "Offeree") at a price equal to the value of the Offeror's interest at the time when such offer is made (which, in the case of a transfer which is effective as of the death of a Partner, shall be deemed to be the date of such Partner's death) as such value is determined in accordance with the provisions of Section 9.4. The Offeree shall have one hundred eighty (180) days after the date of the determination of said value in accordance with Section 9.4 in which to accept in writing such offer of the Offeror's interest. If the Offeree accepts such offer, then the Offeree shall, within thirty (30) days after sending acceptance of such offer, purchase such interest and pay the purchase price upon the terms specified in Section 9.5. If the Offeree does not accept such offer, then the Offeror may, within ninety (90) days following such 180-day period, transfer his interest to such person upon such terms as the Offeror may determine, provided, however, that with the exception of the single transfer permitted by the preceding provisions and the transfers referred to in the succeeding

sentence, the restrictions set forth in this Section 9.2 shall continue to apply to all subsequent transfers of Partnership interests, whether by the Offeror (such 90-day period having elapsed without the transferring of the Offeror's interest) or by any immediate or other successor in interest to the Offeror. Notwithstanding the preceding provisions of this Section 9.2 and of the succeeding Section 9.3, each of William E. Austin and Peter S. Austin shall have the right, without being required to comply with the provisions of this Section 9.2, to transfer his interest in the Partnership, as a whole, to one or more of his lineal descendants, to whom, however, said provisions, mutatis mutandis, shall likewise thereafter continue to apply.

Section 9.3 Involuntary Transfer. In the event of an involuntary transfer upon the bankruptcy or insolvency of a Partner, the levy on a Partner's interest by a creditor or DEATH OR claimant, the incapacity of a Partner, or otherwise, the other Partner (the "Elector") may notify in writing the receiver, trustee in bankruptcy, personal representative or other successor of such Partner (such Partner's "Successor") of the Elector's interest in acquiring Successor's entire interest at a price equal to the value of such interest at the time when such notice is given, as such value is determined in accordance with the provisions of Section 9.4. The Elector shall have one hundred eighty (180) days from the date of determination of said value in accordance with Section 9.4 in which to elect in writing to acquire the Successor's interest. The Elector

shall, within thirty (30) days of such election, purchase the interest from such Successor and shall pay the purchase price upon the terms set forth in Section 9.5. If the Elector does not elect to purchase the interest, then such Successor may, within one (1) year following the close of such 180-day period, elect to transfer such interest to such person upon such terms as such Successor may determine, provided, however, that with the exception of the single transfer permitted by the preceding provisions, the restrictions set forth in Section 9.2, mutatis mutandis, shall continue to apply to all transfers of Partnership interests, whether by such Successor (such one-year period having elapsed without the transferring of such Successor's interest) or by any immediate or other successor in interest to such Successor.

Section 9.4 Purchase Price. The Partners agree that the price of a Partnership interest shall be determined as follows. Promptly upon the making of an offer of sale of a Partnership interest pursuant to Section 9.2 or the giving of notice of interest in acquiring a Partnership interest pursuant to Section 9.3, as the case may be, the Offeror and the Offeree (as defined in Section 9.2) or the Elector and the Successor (as defined in Section 9.3) shall select a qualified real estate appraiser to conduct an appraisal of all the Properties. If agreement cannot be reached as to the selection of such an appraiser within thirty (30) days of the election to seek such an appraisal, application for the appointment of an appraiser

shall be made to a New Jersey court having original jurisdiction over partnerships such as that created by this Agreement. The appraisal shall determine an aggregate fair market value for the Properties and shall be made in conformity with standard appraisal techniques, and shall be completed within sixty (60) days of the date of selection of the appraiser. All liabilities of the Partnership shall be subtracted from the appraised fair market value. The resulting total equity value of the Partnership shall then be multiplied by the Percentage Interest of the Partnership interest, and that product shall be the sale price of such Partnership interest.

Section 9.5 Terms of Payment. The purchase price in any sale of a Partnership interest pursuant to this Article IX shall be payable in cash as follows: twenty-five percent (25%) of the total purchase price at the closing of such sale; and the remainder of such price in twelve (12) consecutive monthly installments of equal payments of principal, plus interest from month to month on the unpaid principal balance at the prime rate in effect from time to time at Citibank, N.A. in New York, New York, the first such installment to be due and payable on the first day of the first calendar month next following that in which such closing occurs. The principal balance of any amount due hereunder may be prepaid in whole or any part at any time without penalty, partial prepayments being applied in inverse order of maturity.

Section 9.6 Additional Restrictions. Notwithstanding anything to the contrary in this Agreement, the interest of a Partner in the Partnership shall not be sold assigned, given, encumbered or otherwise transferred to

- (a) a person less than eighteen (18) years of age, incompetent, incapacitated, insane or otherwise mentally disabled;
  - (b) a person or entity that is bankrupt or insolvent;
- (c) to any person if such transfer would violate federal or state securities laws or would cause a termination of the Partnership under state or federal tax laws.

Section 9.7 Withdrawal or Retirement. No Partner shall retire or withdraw from the Partnership without consent of the If the other Partner consents to the retirement other Partner. or withdrawal, then the Partnership shall dissolve and liquidate in accordance with the provisions of Article VIII. If a Partner withdraws or retires without the consent of the other Partner, the other Partner may elect either (1) to dissolve and liquidate the Partnership in accordance with the provisions of Article VIII, and to collect from the liquidating distributions any damages resulting from such Partner's breach of this Agreement, or (2) to continue the Partnership, in which event such withdrawing Partner or his personal representative or successor shall continue to share in the distributions, profits and losses of the Partnership in accordance with this Agreement, but shall not participate in the management or administration of the

Partnership business or affairs, or require any information or account of Partnership transactions, or inspect the Partnership books.

Section 9.8 Notices, etc. Offers, elections and notices provided in this Article IX shall be effective only if in writing and sent to the other party by registered mail or certified mail, return receipt requested.

#### ARTICLE X

#### Tax Matters

Section 10.1 Tax Matters Partner. Peter S. Austin shall be the "tax matters partner" for the Partnership within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1954 (the "Code").

Section 10.2 Tax Filings. In the event of a distribution of Partnership property to a Partner or a transfer of an interest in the Partnership permitted by this Agreement, the Partnership shall, upon the request of any Partner, file an election under Section 754 of the Code and the regulations thereunder to adjust the basis of the Partnership assets under Sections 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state law. Any such adjustment of basis and any depreciation deductions or recapture attributable thereto, shall not be taken into account in determining the allocation of income, expense, loss, gain, deduction or credits to the Partners, but such adjustment of basis and depreciation

deductions and recapture shall, for such purpose, be attributed solely to the Partner for whom the basis was adjusted.

#### ARTICLE XI

# Resolution of Disputes

Section 11.1 Arbitration. Except where otherwise expressly provided, any controversy or claim arising out of or relating to this Agreement, or the breach of any provisions thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgments upon reward rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

#### ARTICLE XII

#### Miscellaneous Provisions

Anything elsewhere in this Agreement to the contrary notwithstanding, the Partners specifically agree as follows:

Section 12.1 New or Additional Partners. No new or additional Partners shall be admitted to the Partnership except with the written approval of all Partners.

Section 12.2 Captions, Headings. The captions, section numbers, article numbers and table of contents appearing in this Agreement are inserted only as a matter of convenience, and in no way define, limit, construe or describe the scope or intent of such sections or articles, nor in any way affect this Agreement or have any substantive effect.

<u>Section 12.3</u> <u>Entire Agreement</u>. This Agreement embodies the entire agreement and understanding between the parties

relating to the subject matter hereof and there are no covenants, promises, agreements, conditions or understandings, oral or written, except as herein set forth.

Section 12.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of New Jersey.

Section 12.5 Successors and Assigns. The covenants and agreements contained herein shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective heirs, successors, administrators and assigns.

<u>Section 12.6 Notices</u>. Notice shall be deemed to have been duly given if deposited postpaid in a mailbox maintained by the postal authorities and addressed as follows:

If to William E. Austin: RR 1, Box 44
Waitsfield, VT 056

If to Peter S. Austin: Box 8672 Naples, FL 33941

Section 12.7 Attorney's Fees. Should any litigation be commenced between the Partners concerning any provision of this agreement or the rights and duties of any person in relation thereto, the party prevailing in such litigation shall be entitled, in addition to other relief as may be granted, to recover his costs of suit, including a reasonable sum of attorneys' fees in such litigation, which sum shall be determined by the court in such litigation or in a separate action brought for that purpose.

Section 12.8 Amendment. This Agreement is subject to amendment in any particular or particulars at any time, but only by agreement set forth in writing and signed by both Partners.

IN WITNESS WHEREOF, we, the said Partners, have set our hands and seals to this Agreement, in duplicate, as of the day and year first above written.

STATE OF VERMONT COUNTY OF CALEBONTA CHITTEN DEN

, in said County, this Zud At Burluyton , in said County, this care day of December , 1988, personally appeared WILLIAM E. AUSTIN, and he acknowledged the within instrument, by him sealed and subscribed, to be his free act and deed.

Before me,

Curronne 6 Stoneman

STATE OF Floreda. COUNTY OF Law

, ss

Notary Public CHRISTOPHER G. STONEMAN NOTARY PUBLIC, STATE OF VERMONT

At H macra in said County, this  $f^{th}$ day of November , 1988, personally appeared PETER S. AUSTIN, and he acknowledged the within instrument, by him sealed and subscribed, to be his free act and deed.

Before me,

17

CONTIGUE 1982 By ALL-STATE LEGAL SUPPLY CO One Commerce Orive, Cranford, N.J. 07016

, 19 87 ,

Prepared by: Robert W. King, Esquire

BETWEEN

WILLIAM E. AUSTIN and PETER S. AUSTIN

29480

whose address is c/o Schenck, Price, Smith and King, 10 Washington Street, Morristown, NJ 07960 referred to as the Grantor.

AND

WILLIAM E. AUSTIN and PETER S. AUSTIN, as tenants in common

whose post office address is P.O. Box 8672, Naples, Florida 33941 referred to as the Grantee. The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

TRUSTEES UNDER
Grantor. The Grantor makes this Deed as the Excess and the Last Will of William B. Austin late of the Borough of Mendham County of

Morris

and State of New Jersey.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below to the Grantee. This transfer is made for the sum of ONE DOLLAR (\$1.00) ----

The Grantor acknowledges receipt of this money.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Municipality of Town of Morristown Block No. 222 Lot No. 4, 5 and 12 No property tax identification number is available on the date of this Deed. (Check box if applicable)

Property. The property consists of the land and all the buildings and structures on the land in the Morristown County of and State of New Jersey. The legal description is: Morris

SEE SCHEDULE A ANNEXED HERETO and MADE A PART HEREOF.

850 2929 MCE 398

#### TRACT ONE:

BEGINNING at a point in the southwest side line of Morris Street at the easterly corner of a lot conveyed by Philip A. Welsh to the said Elizabeth Drake by deed dated November 15, 1909 and recorded in the Morris County Record of Deeds in Book B-20, pages 508 &c., which point is also the northwesterly corner of lands now or formerly of Hosmer P. Smith and running thence:

- (1) along the dividing line between said Drake and Smith lands, South 28° 18'
  West 170' to the northeasterly corner of a lot of land conveyed by Philip
  A. Welsh to Serena Salmon; thence
- (2) along said Salmon lands North 61° 22' West 79.35' to the southeasterly side line of a lane hereinafter referred to; thence
- (3) running along said lane North 28° 38' East 170' to the southwesterly side line of Morris Street; thence
- (4) along said side line of Morris Street South 61° 22' East 77.55' to the point and place of Beginning.

#### TRACT TWO:

BEGINNING in the southwesterly side line of Morris Street at the northerly corner of lands conveyed by Philip A. Welsh and wife to Elizabeth Drake by deed dated June 6, 1896 and recorded in the Morris County Clerk's office in Book B-15 of Deeds, page 29 &c. and running thence

- (1) along the northwesterly side of said lot and along a continuation of the same South 28° 38' West 281.10 feet to a line of lands formerly of Mary C. Blachley; thence
- (2) along a line of said Blachley lands North 43° 33' West 12.60'; thence
- (3) parallel to and 12' distant at right angles from the first line hereof
  North 28° 38' East 277.30' to the side line of Morris Street aforesaid; thence
- (4) along the side line of Morris Street South 61° 22' East 12' to the point or place of Beginning.

EXCEPTING THEREFROM the following described tract of land conveyed to the Town of Morristown by William B. Austin and wife by deed dated May 25, 1949 and recorded in the Morris County Clerk's Office in Book P-46 of Deeds, page 210:

- (1) South 27° 48' West 169.77' to a point; thence
- (2) South 37° 11' 25" West 132.53' to a point; thence
- (3) North 44° 09' 40" West 73.75' to a point; thence
- (4) North 28° 15' 10" East 45.56' to a point; thence
- (5) South 61° 44′ 50" East 12.00' along said southwesterly sideline of a tract of land conveyed by William B. Austin and wife to the Town of Morristown, dated May 25, 1949 and recorded in the Morris County Clerk's Office in Book P-46 of Deeds, page 210; thence
- (6) North 28° 15' 10" East 232.84' along said southeasterly sideline of above referenced deed found in course (5) above and to the southwesterly sideline of Morris Street; thence
- (7) Along same, South 61° 44' 50" East 77.55 feet, to the point or place of

BEING known and designated as Lots 4, 5 & 12 in Block 222 on the Tax Map of the Town of Morristown, Morris County, New Jersey.

BEING the same lands and premises conveyed to William B. Austin by deeds from:

Sarah J. Austin, dated July 12, 1935, recorded July 15, 1935 in Deed Book

8-34 page 286 (The Second Tract in said deed comprises Tract Three described herein);

Philip W. Drake and Doris S. Drake, his wife, dated February 14, 1942, recorded March 16, 1942 in Deed Book D-37 page 70 (The First Tract in said deed comprises Tract One described herein);

Serena Salmon and Ira P. Salmon, her husband, et als., dated March 11, 1948, recorded April 8, 1948 in Deed Book Q-44 page 52 (conveying a two-thirds interest) and Deed from Philip W. Drake and Doris S. Drake, his wife, dated February 14, 1942, recorded March 16, 1942 in Deed Book D-37 page 70 (The Second Tract in said deed conveying the remaining one-third interest) (said Deeds comprise Tract Two described herein).

The said William B. Austin died March 30, 1970, leaving a Last Will and Testament wherein he devised all of his Morris County real estate to William E. Austin and Peter S. Austin, in Trust with a provision therein for the benefit of Isabel H. Austin for life, and upon her death with the remainder to William E. Austin and Peter S. Austin, Grantees herein. The said Isabel H. Austin died a resident at 8901 E. Tamiami Trail, in the City of Naples, Collier County, Florida, on November 7, 1986. The said William E. Austin and Peter S. Austin were appointed as executors and trustees under said estate with power to mortgage. 806/2929 PSGE 4100

BEGINNING at an iron pipe in the Southwesterly side line of Morris Street which is the beginning corner of a strip of land of which this is a part, such being the second tract conveyed from Philip W. Drake to William B. Austin by deed dated February 14, 1942 which is on record, thence

- (1) along the first course of said strip South 28° 34' West 232.84' feet to an iron pipe; thence
- (2) crossing said strip North 61° 26' West 12.0' to an iron pipe in the third course thereof; thence
- (3) along the same North 28° 34' East 232.84' to an iron pipe, the fourth corner thereof in said side line of Morris Street; thence
- (4) along said side line South 61° 26' East 12.0' to the point or place of Beginning.

#### TRACT THREE:

BEGINNING in the southeasterly side of the lane hereinafter mentioned at a point distant 170' measured along the side of said lane from the southwesterly side line of Morris Street at the westerly corner of a lot conveyed by Philip A. Welsh to Elizabeth Drake by deed bearing even date herewith and running thence

- (1) along the southwesterly side line of said Drake lot South 61° 22' East 79.35' to the line of lands of Hosmer P. Smith; thence
- (2) along the line of lands of said Smith and the line of lands formerly of Mary C. Blachley South 38° West 132.50° to a corner of lands formerly Mary C. Blachley; thence
- (3) along a line of same North 43° 30' West 61.15' to the southeasterly side of the lane aforesaid; thence
- (4) along the southeasterly side line of said lane North 28° 38' East 111.10' to the point or place of Beginning.

The foregoing premises are also described in accordance with a survey made by Robert C. Edwards Associates, John D. Harris, L.S., dated November 1, 1968, continued to January 17, 1985, as follows:

BEGINNING at a point in the southwest side of Morris Street at the easterly corner of a lot conveyed by Philip A. Welsh to the said Elizabeth Drake by deed dated November 15, 1909 and recorded in the Morris County Record of Deeds in Book B-20, pages 508 6c., which point is also the northwesterly corner of the lands now or formerly of F. Boin, R. Boin and W. Boin, and running thence:

STATE OF VERMONT, COUNTY OF Wishington

on this day of March., 1987, before me, the subscriber, a Notary Public of the State of Vermont, personally appeared William E. Austin, who acknowledged under oath, to my satisfaction, that he: (a) is named in and personally signed this Deed; (b) signed, sealed and delivered this Deed as his act and deed; and (c) made this Deed for \$1.00 as the further and actual consideration paid or to be paid for the transfer of title (such consideration is defined in N.J.S.A. 4611-51

Notary Public of the state of Vermont
My Commission Expires

DEED

WILLIAM E. AUSTIN and PETER S. AUSTIN, Trustees Under the Last Will and Testament of WILLIAM B. AUSTIN, deceased

Cirantor

TO

WILLIAM E. AUSTIN and PETER S. AUSTIN, tenants in common

Dated: FeBCLARY 23 .19 87

Record and return to:

ROBERT W. KING, ESQUIRE SCHENCK, PRICE, SMITH & KING 10 WASHINGTON STREET CN 905 MORRISTOWN, NJ 07960

MCCO BOX 12

Grantee .

MAR 13 3 15 FH 181

Servision 17:

WORNIS COMMITTEEFE

the Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor). Signatures. The Grantor signs this Deed as of the date at the top of the first page. If the Grantor is a corporation, this Deed is signed and attested to by its proper corporate officers and its corporate seal is affixed. Witnessed or Attester COUNTY OF Collier SS.: I CERTIFY that on Peter S. Austin personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person); (a) is named in and personally signed this Deed; (b) signed, sealed and delivered this Deedras his or her act and deed; and as the full and actual consideration निमान or to be (c) made this Deed for \$ 1.00 paid for the transfer of title. (Such consideration is defined in N.J.S. My Commission 2 STATE OF NEW JERSEY, COUNTY OF 1 CERTIFY that on personally came before me and this person acknowledged under oath, to my satisfaction, that: secretary of (a) this person is the the corporation named in this Deed; (b) this person is the attesting witness to the signing of this Deed by the proper corporate officer who is President of the corporation; the (c) this Deed was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors: (d) this person knows the proper seal of the corporation which was affixed to this Deed ; (e) this person signed this proof to attest to the truth of these facts; and (f) the full and actual consideration paid or to be paid for the transfer of title is \$ (Such consideration is defined in N.J.S.A. 46:15-5.) Signed and sworn to before me on

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that



# State of New Jersey

Christine Todd Whitman Governor

Department of Environmental Protection

Robert C. Shinn, Jr. Commissioner

June 8, 1995

Mr. Peter Austin P.O. Box 29 Morris Plains, New Jersey 07950

RE: VIP Cleaners 89 Morris Street Morristown, New Jersey

Dear Mr. Austin:

Enclosed I have provided a copy of the Preliminary Assessment and Site Inspection Report regarding the VIP Cleaners site at 89 Morris Street, Morristown, Morris County, New Jersey. This copy is only of the narrative section of the report. The balance of the report contains a number of attachments and references from which the report was written. If you wish to view the attachments an appointment must be made through our secretary for a visit to our office.

If you have any questions regarding this report please contact me at (609) 584-4280.

Yours truly,

David Dibblee, HSMS 4

Environmental Measurements and

Site Assessment

# PRELIMINARY ASSESSMENT AND SITE INVESTIGATION REPORT

# PART I: GENERAL INFORMATION

Site Name: V I P Cleaners

Aka: Morristown Tire

Address: 89 Morris Street

Municipality: Morristown State: New Jersey Zip Code: 07960

County: Morris

EPA ID No.: NJD982744740

Block: 4801 Lot(s): 11

Latitude: 40° 47′ 47" Longitude: 74° 28′ 40"

Acreage: <1 SIC Code: 7216

Current Owner: P. Austin and W. Austin

Mailing Address: P.O. Box 29

City: Morris Plains State: New Jersey Zip Code: 07950

Telephone No.: 201-267-8435

Current Operator: Sonny Din

Mailing Address: 89 Morris Street

City: Morristown State: New Jersey Zip Code: 07960

Telephone No.: 201-539-2922

#### Owner/Operator History:

•	OPERATOR/	DATES	
NAME	OWNER	FROM	TO
P. Austin, W. Austin	owner	1987	present
VIP Cleaners	operator	1989	present
The Finishing Touch	operator	1987	present
Isabel H. Austin	owner	1970	1987
William B. Austin	owner	1935	1970
		1942	
		1948	
Caroline Laundry	operator	unknown	1970
Sarah J. Austin	owner	unknown	1935
Philip W. Drake Doris S. Drake	owners	unknown	1942°
Serena Salmon Ira P. Salmon	owners	unknown	1948*

<sup>\* -</sup> Block 4801, Lot 11 was formerly composed of several smaller lots.

# Surrounding Land Use (zoning, adjacent properties)

The VIP Cleaners site is bordered by Morris Avenue to the north, retail and service businesses to the east and west and a public parking lot and residential properties to the southwest and south respectively.

Distance to Nearest Residence or School: 500 feet Direction: east Population Density (residents per square mile): 5,510

#### PART II: SITE OPERATIONS

Discuss all current and past operations at the site. Identify all waste sources, the type and quantity of hazardous waste at each source and the type of containment for each source.

A review of aerial photographs indicates that the VIP Cleaners site was vacant until at least 1940. The existing building was evident in 1951 photographs but was not present in 1940 photographs indicating that the building was built within this time frame. Mr. Peter Austin, the current owner of the property, indicated during a December 1993 phone interview that he had operated a Caroline Cleaners at the site until 1970 when the building was leased in parts to different stores and vendors. Operations of Caroline Cleaners dealt primarily with common laundering of clothes and other materials. Only a small portion of the operations involved dry cleaning. Mr. Austin indicated that dry cleaning chemicals were reused repeatedly and that the only loss of product was to the atmosphere via volatilization. Reportedly the site has always been on sanitary sewer and no floor drains existed at the site until they were installed by tenant Curt Bush, owner of The Finishing Touch car detailing operation approximately 6 years ago. This was verified by inspection of the Finishing Touch building after an inspection of the VIP Cleaners building. (Attachment I)

Since the building was divided for lease in 1970, several different operations have been conducted at the site. These include a hospital laundry, lawn mower repair shop, hair salon, computer shop, auto detailing and audio installation business, garden center and dry cleaners. (Attachment H, I)

An inspection of the site was conducted by NJDEP, Office of Site Assessment personnel on December 13, 1993. At this time the current dry cleaning operation, VIP Cleaners, and the Finishing Touch auto detailing building were inspected. The interiors of both of these buildings were inspected and did not reveal any drains, dry wells or other pathways to ground water. Site representative of VIP Cleaners, Sonny Din, indicated that dry cleaning operations ceased at the site approximately 1 1/2 years

ago (1992) and that only small scale cleaning of spots on garments is conducted on site. The VIP Cleaners store acts primarily as a drop off and pick up shop for clothes that are cleaned at other locations. The Finishing Touch details autos and installs audio equipment. No hazardous materials are used by the Finishing Touch operation. (Attachment I)

The exterior of the building was also inspected and no areas of concern were observed. Current operations at the site include VIP Cleaners, The Finishing Touch auto detailing and Garden on the Green garden center. (Attachments H, I)

On June 23, 1994 a site investigation was conducted at the facility by NJDEP, Office of Site Assessment personnel which consisted of collecting ground water samples from an on site monitoring well and two additional locations using a hydraulically powered Geoprobe soil probing unit and a small diameter direct push point. The results of the sampling event are summarized in the ground water pathway section and Table I of this report.

PART III: PERMITS

#### A. NJPDES

Discharge Date Expiration Formation or Body of Number Activity Issued Date Water Discharged To

N/A

## B. New Jersey Air Pollution Control Certificates

Plant ID No.: L2527

No. of Certificates: 1 (094029)

Equipment Permitted: Dry Cleaning Machine

#### C. BUST Registration

Registration No.: 0228873

No. of Tanks: 1

Tank No.	Capacity (gallons)	Contents of Tank	Integrity
001	7,000	#6 Heating oil	Removed 2/92

(Attachment A)

### D. Other Permits

Agency Type of Date Expiration

Issuing Permit Permit No. Issued Date

N/A

#### PART IV: SOIL EXPOSURE

Describe soil type. Include soil series, composition of the soil and permeability of the soil.

The United States Department of Agriculture, Soil Conservation Service lists the soils below the site as Urban land series-Riverhead complex. The Urban land series are areas that have been cut or reworked to the extent that the original profile cannot be recognized. The characteristics of the material are variable. The Riverhead complex typically consists of well-drained, nearly level to strongly sloping sandy and gravelly soils. Slopes range from 0 to 20 percent, but are typically 5 to 12 percent. The underlying material is loose, unweathered, stratified and sorted sand and gravel outwash, mostly of granitic material that contains some shale, sandstone, quartzite and conglomerate. Coarse fragments are mainly gravel and cobbles, but in a few places there are stones and boulders. Permeability is rapid and runoff is moderate. (Attachment G)

Discuss contaminants identified in the soil. Include sampling date, sampling agency or company, sample locations, depth and contaminant level. Determine if the sample was collected on a residential property, school, daycare center, workplace, terrestrial sensitive environment or resource. State whether Level 1 or Level 2 contamination is present.

On February 20 and 21, 1992, eight soil samples were collected by the PMK Group of Union, New Jersey within the excavation of the 7,000-gallon underground storage tank which was removed on February 10, 1992. Seven of the samples were collected at 9.5 feet below normal grade at various locations of the excavation and analyzed for petroleum hydrocarbons (TPHC). Two of the samples displayed contamination at 74 and 875 parts per million (ppm) TPHC. The sample with the highest TPHC concentration (875 ppm) was sampled again on February 21, 1992, one foot below the original sample at 10.5 feet, and analyzed for TPHC and base/neutral compounds. This sample revealed TPHC contamination at 210 ppm with no base/neutral compounds detected. (Attachment B)

Total area of surficial contamination (square feet): Not applicable

If no soil sampling has been conducted, discuss areas of potentially contaminated soil, areas that are visually contaminated or results from soil gas surveys.

The entire site was paved at the time of inspection. No soil gas surveys could be conducted at this time. No areas of stained soil were observed.

(Attachment I)

Determine if any commercial agriculture, silviculture, livestock production or grazing are present on or within 200 feet of the site.

There is no commercial agriculture, silviculture, livestock production or grazing present on or within 200 feet of the site.

Number of people that occupy residences or attend school or day care on or within 200 feet of the site: 0
Number of workers on or within 200 feet of the site: 20

Does a subsurface gas threat exist? (Y/N): No If so, discuss the threat (include if in homes or occupied building).

#### PART V: GROUND WATER ROUTE

#### A. HYDROGEOLOGY

Describe geologic formations and aquifer(s) of concern. Include interconnections, confining layers, discontinuities, composition, hydraulic conductivity and permeability.

Ground water in Morris County occurs in the voids of unconsolidated sediments and fractures in the underlying bedrock. Crystalline rocks of Precambrian age underlie almost the entire northwestern two-thirds of the county. They are primarily granitoid gneisses and pegmatites but include schists, crystalline limestone or marble, magnetite and a few small quartz veins. In most of the county Precambrian rocks are the only source of ground water. Quaternary rocks comprise the unconsolidated surficial deposits which mantle the bedrock surface. These deposits consist of clay, silt, sand, gravel and boulders. These stratified drift deposits form the mineral framework for the most developed ground water reservoir in the county. (Attachment D)

Depth to aquifer of concern: <20 feet
Depth from lowest point of waste disposal/storage to highest
seasonal level of the saturated zone of the aquifer of concern:
unknown

Permeability of the least permeable layer between the ground surface and the aquifer of concern: estimated at 10.5 cm/sec

Thickness of aquifer: Overburden up to 200 feet, Brunswick 6,000+Direction of ground water flow: Estimated west/southwest in immediate area of the site.

Distance: N/A

Karst (Y/N): No

Wellhead Protection Area (Y/N): No

(Attachments A, D)

### B. MONITORING WELL INFORMATION

Screen

Well No. Depth Formation Location

MW-1 12-22 ft. Glacial deposits See site map

Identify the upgradient well(s): Not applicable

Briefly discuss why the monitoring wells were installed and describe contaminants identified in the monitoring wells. Include Well No., sampling date, sampling agency or company, contaminant levels and remediation standards.

Soil contamination was discovered in the excavation of a 7,000gallon #6 heating oil tank which was removed from the site on February 13, 1992. Subsequently, a monitoring well was installed in the vicinity of the tank's previous location to determine if the tank had any impact on ground water. On September 24, 1992 representatives of the PMK Group of Union, New Jersey collected ground water samples from the subject well. The sample results indicate that trichloroethene, tetrachloroethene and trans-1,2-dichloroethene were present in the ground water at concentrations of 58, 510 and 69 parts per billion (ppb), respectively. The NJDEP Ground Water Quality Standards for trichloroethene, tetrachloroethene and trans-1,2-dichloroethene are 1, 1 and 100 ppb, respectively. An analysis for base/neutral compounds did not reveal any target compounds above detection limits; however, tetrachloroethene was identified at a concentration of 99 ppb. Three additional unidentified base/neutral compounds were detected in concentrations ranging from 6 to 10 ppb. (Attachment B)

Additional samples were collected from the on site monitoring well during the June 23, 1994 site investigation conducted by NJDEP, Office of Site Assessment personnel. Two ground water samples were also collected at this time from the front of the VIP Cleaners building and the municipal parking lot on the west side of the facility. (See site map) Sample results above current NJDEP,

Ground Water Quality Standards (GWQS) are summarized below. For a complete list of detected contaminants see Table I.

Sample #	Contaminants	Con. (ppb)	NJDEP GWQS (ppb)
MW-1	vinyl chloride 1,1 dichloroethene 1,2 dichloroethene trichloroethene tetrachloroethene	120 2 820 430 2,600	5 2 cis 10 trans 100 1 1
MW-2 (Dup of MW-1)	vinyl chloride 1,1 dichloroethene 1,2 dichloroethene trichloroethene tetrachloroethene 1,2 dichloropropane	120 2 820 430 3,000 2	5 2 cis 10 trans 100 1 1
GW-1	tetrachloroethene	4	1
GW-2	tetrachloroethene chromium lead	30 208 115	1 100 10

# C. POTABLE WELL INFORMATION

Distance to nearest potable well: 0.2 mile Depth of nearest potable well: 150 feet

(Attachment C)

Identify all public supply wells within 4 miles of the site:

Water Company	Distance from site (miles)	Depth (feet)	<u>Formation</u>
Southeast Morris County MUA	0.9	265	Brunswick
Southeast Morris County MUA	1.1-1.8 (5 wells)	58-496	Quaternary Dep. & Brunswick
Southeast Morris County MUA	2.1-2.9 (6 wells)	60-210	Quaternary Dep. & Brunswick
Southeast Morris County MUA	3.0-3.8 (3 wells)	60-124	Quaternary Dep.
Parsippany-Troy Hills	3.5 (2 wells)	87-90	Quaternary Dep.

Water Company	Distance from site (miles)	Depth (feet)	Formation
Madison Borough	3.7	160	Quaternary Dep.
Florham Park Borough (Map 5)	3.8	105-139	Quaternary Dep.

Discuss private potable well use within 4 miles of the site. Include depth, formation and distance, if available.

A search of private wells was conducted by the PMK Group of Union, New Jersey during the underground tank removal and subsequent discharge investigation. Three domestic wells were identified within 1 mile of the site. The closest of these is approximately 0.2 mile south of the facility, screened in glacial deposits at 150 feet. (Attachment C)

Discuss the site's source of potable water.

Potable water for the site is provided by the Southeast Morris County Municipal Utilities Authority.

Discuss for each aquifer the population utilizing that aquifer for drinking purposes within 4 miles of the site.

Distance from	Population/Aquifer			
site (miles)	A			
0 - 1/4	3	3		
1/4 - 1/2	6	. 0		
1/2 - 1	0	4,060		
1 - 2	16,315	4,060		
2 - 3	16,330	8,120		
.3 - 4.	29,145	0		

A - Quaternary Glacial Deposits

B - Brunswick Formation

(Attachment C, F)

Discuss any evidence of contaminated drinking water or wells closed due to contamination. State whether Level 1 or Level 2 contamination is present.

Ground water contamination has been identified in the on-site monitoring well; however, there are no reported impacts to potable wells in the area. (Attachment B)

Identify industrial/irrigational wells within the vicinity of the site. Include depth, formation, distance and direction, if available.

The closest industrial/irrigational well is located approximately 0.25 mile east of the site. This well is 298 feet deep, is screened in the Brunswick Formation, and is used by the Powers Motor Company for irrigational purposes. (Map 5)

## D. POTENTIAL

Discuss the potential for ground water contamination, including any other information concerning the ground water contamination route.

Ground water contamination has been observed at this site which may pose at threat to any potable wells in the immediate area. However, additional investigations would be required to identify or eliminate this site as a source of the subject ground water contamination.

PART VI: SURFACE WATER ROUTE

### A. SURFACE WATER

Does a migration pathway to surface water exist (Y/N): No Flood plain: >500 year (Map 7) Slope: <3% (Map 1)

Does contaminated ground water discharge to surface water (Y/N): No

Identify known or potentially contaminated surface water bodies. Follow the pathway of the surface water and indicate all adjoining bodies of water along a route of 15 stream miles.

Distance
Surface Water Body from site Flow(cfs) Usage(s)

No surface water pathway was identified for this site. (Map 1)

Identify drinking water intakes within 15 miles downstream (or upstream in tidal areas) of the site. For each intake identify the distance from the point of surface water entry, the name of the supplier and population served.

No surface water pathway was identified for this site. (Map 1)

Discuss surface water or sediment sampling conducted in relation to the site. Discuss visual observations if analytical data are not available (include date of observation). Include surface water body, sampling date, sampling agency or company, contaminant. State whether Level 1 or Level 2 contamination is present.

No surface water pathway was identified for this site, therefore no sampling of sediments or surface water has occurred.

Determine if surface water is used for irrigation of commercial food or commercial forage crops, watering of commercial livestock or commercial food preparation.

No surface water pathway was identified for this site. (Map 1)

Discuss the potential for surface water contamination, include any additional information concerning the surface water route.

The V I P Cleaners site is entirely paved and all operations take place indoors. Contaminated runoff from this site is unlikely. (Attachment I)

### B. SENSITIVE ENVIRONMENTS

Identify all sensitive environments, including wetlands, along the 15 stream-mile pathway from the site:

Environment	Surface Water	Flow	Distance	Wetland
Type	Body	(cfs)	<u>from site</u>	Frontage

No surface water pathway was identified for this site. (Map 1)

# PART VII: AIR ROUTE

Discuss observed or potential air release.

An air permit has been issued to VIP Cleaners for a dry cleaning machine. Currently, no cleaning of materials is conducted on-site. Therefore there is no potential for an air release at this site. (Attachment I)

Identify populations residing within 4 miles of the site.

Distance	(miles)		<u>Population</u>
0 -	1/4		1,080
1/4 -	1/2		3,245
1/2 -	1		5,875
1 -	2		13,285
2 -	3		6,260
3 -	4		29,145
(Attachme	ent J) ·		

Identify sensitive environments and wetland acreage within 4 miles of the site.

# <u>Distance</u> <u>Type of environment</u> <u>Wetland acreage</u>

There is no potential for an air release at this site, therefore there is no threat to sensitive environments or wetlands from this site.

Identify all land resources (commercial agriculture, silviculture or recreation) within 4 miles of the site.

There is no potential for an air release at this site; therefore there is no threat to land resources from this site.

### PART VIII: DIRECT CONTACT

Describe accessibility of the site (fencing, site security, evidence of unauthorized entry).

The VIP Cleaners site is not fenced; however, operations take place indoors which would prevent a direct contact threat by unauthorized personnel.

Number of on-site employees: 10

# PART IX: FIRE AND EXPLOSION

Discuss all incidents on site which have involved a fire or explosion. Indicate the date of the incident and the materials involved.

No incidents of fire were discovered during the file search.

Discuss site conditions which indicate a potential exists for fire or explosion (reactivity, incompatibility, ignitability, storage practices, container condition).

Flammable materials are used at the site; however, they are used in relatively small quantities and are not stored in a manner which would create a fire or explosion threat.

# PART X: ADDITIONAL CONSIDERATIONS

Discuss evidence of wildlife or vegetation that has been or could be potentially impacted by on-site operations. Include areas exhibiting stressed vegetation or damage to wildlife.

Operations at this site do not appear to be causing adverse affects on surrounding wildlife or vegetation.

Determine if a contaminant on site displays bioaccumulative properties. Identify all bioaccumulative substances that may impact the food chain.

Contaminants detected at the VIP Cleaners site are not bioaccumulative in nature.

Discuss observed or potential damage to off-site property. Consider migration routes from the site to an off-site property via soil, air or runoff.

Operations conducted at the VIP Cleaners site do not pose a threat to surrounding properties.

# PART XI: PREVIOUS OR ONGOING REMEDIAL ACTIONS

Discuss for each medium or area of concern all previous and ongoing remedial activities at the site. Include why initiated, type of action, date and present status.

In February 1992 a 7,000-gallon underground storage tank of #6 fuel oil was removed by Anco Environmental Contracting Inc. under the supervision of the PMK Group of Union, New Jersey. As a result of the tank removal, approximately 130 tons of contaminated soil was removed from the excavation. Subsequently, a monitoring well was installed to determine if ground water was impacted by the tank. Sample results did not indicate a release to ground water had occurred; however, tetrachloroethene (PCE), trichloroethene (TCE) and trans-1,2-dichloroethene were detected in the ground water. Ground Water Quality Standards were exceeded for PCE and TCE. It is possible that historic dry cleaning operations may have

contributed to this ground water contamination. Currently, this case is closed within the NJDEP, Bureau of Underground Storage Tanks. (Attachments A,B)

## PART XII: ENFORCEMENT ACTIONS

No enforcement actions were discovered for the VIP Cleaners site during the file search.

### PART XIII: CONCLUSIONS AND RECOMMENDATIONS

List each area of concern and state whether further remediation is required.

Historic and recent operations at this site have used chlorinated solvents for dry cleaning purposes. During the file search and subsequent visual inspection of the site no pathway was discovered to link this site with the ground water contamination discovered in the on site monitoring well. Samples collected during the June 23, 1994 site investigation of the facility determined that levels of chlorinated solvents, specifically tetrachloroethene (PCE) and associated breakdown components, were higher in the on site monitoring well than upgradient and side gradient samples. These samples indicate that the site may be contributing to the groundwater contamination beneath the site, however, a complete survey of ground water could not be conducted on all sides of the facility due to areas being covered by buildings and other structures. A ground water investigation would be required to positively identify or eliminate this site as a contributor to ground water contamination. Further investigation under CERCLA is warranted.

submitted by: David Dibblee

Title: HSMS 4

NJDEP, Division of Publicly Funded Site Remediation,

Office of Site Assessment

Date: February 1995

PART XIV: POTENTIALLY RESPONSIBLE PARTIES

NAME

OWNER/OPERATOR/ KNOWN DISCHARGER

CURRENT ADDRESS

Caroline Laundry

operator

c/o Peter Austin P.O. Box 29 Morris Plains, New Jersey 07950

# ASSIGNMENT OF LEASE

AGREEMENT made the day of June, 2001, between Milano French

Cleaners, located at 89 Morris Street, Morristown, New Jersey, hereinafter called the

Assignor and Jong Sik Oh, residing at 700 Victory Blvd., Apt. 18A, Staten Island, New

York, and/or a corporation to be formed by John Sik Oh, hereinafter called the Assignee,

for the demised premises located at 89 Morris Street, Morristown, New Jersey.

WHEREAS, by Lease dated the 1<sup>st</sup> day of November, 1996, made between Austin & Austin Company, a New Jersey Corporation, and the Assignor, the premises located at 89 Morris Street, Morristown, New Jersey, were leased to the Assignor for the term of January 1, 1997 through December 31, 2002. This Lease has been further extended through December 31, 2007 at the current yearly rent in accordance with Paragraph 5b of the Lease agreement, and subject to the covenants, conditions and stipulations therein contained.

In consideration of the sum of One and 00/100 (\$1.00) Dollar paid by the Assignee to the Assignor, the receipt whereof is hereby acknowledged, the Assignor assigns to the Assignee the premises described in said Lease, for the unexpired term of said Lease, and the declared extension period, subject to the payment of the rent and performance of the covenants, conditions and stipulations in said Lease.

The Assignee covenants during the continuance of said term to pay the rents reserved and to perform the covenants, conditions and stipulations in said Lease to be performed by the Lessee and to keep indemnified the Assignor against actions, claims and demands whatsoever in respect of said rents, covenants, conditions and stipulations or anything relating thereto.

Milano French Cleaners - Assignor

RY

Vito Meghnagi - President

DATED: 6/1/200/

Jong Sik Oh - Assignee

DATED: C/1/2001

# **GUARANTY OF LEASE**

LANDLORD:

**AUSTIN & AUSTIN** 

TENANT:

MILANO FRENCII CLEANERS

**GUARANTOR:** 

VITO MEGHNAGI

**DEMISED PREMISES: 8** 

89 Morris Street, Morristown, New Jersey

Tenant (as identified above) wishes to enter into a lease with Landlord (as identified above). Guarantor (as identified above and having the address shown below) is an officer, director and shareholder in Tenant and acknowledges that Tenant's entry into a lease with Landlord for the Demised Premises is in Guarantor's economic interest. Landlord is unwilling to enter into a lease with Tenant for the Demised Premises unless Guarantor assures Landlord of the full performance of all Tenant's obligations under the lease. Guarantor is willing to do so.

Accordingly, in order to induce Landlord to enter into the lease with the Tenant and for good and valuable consideration, the receipt and adequacy of which are acknowledged by Guarantor:

1. Subject to the limitation set forth in Paragraph 7 below, Guarantor unconditionally guarantees to Landlord, and the successors and assigns of Landlord, Tenant's full and punctual performance of all of the Tenant's obligations under that certain Commercial Lease of even date herewith between Landlord and Tenant for the Demised Premises (the "Lease"), including, without limitation, the payment of rent

and other charges due under the Lease. Guarantor waives notice of any breach or default by Tenant under the lease. If Tenant defaults in the performance of any of its obligations under the Lease, upon Landlord's demand. Guarantor will preform Tenant's obligations under the Lease.

- 2. Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or things relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to Guarantor and without affecting the obligations of Guarantor under the Lease.
- 3. The obligations of Guarantor under this Guaranty will not be affected by Landlord's receipt, application, or release of security given for the performance of Tenant's obligations under the Lease, nor by any obligation of the Lease, including, without limitation the alteration enlargement, or change of the premises described in the Lease, except that in case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.
  - 4. The liability of Guarantor under this Guaranty will not be affected:
- (a) the release or discharge of Tenant from its obligations under the Lease in any creditors', receivership, and bankruptcy, or other proceedings, or the commencement or pendency of any such proceedings;
- (b) the impairment, limitation, or modification of the liability of Tenant or the estate of tenant in bankruptcy, or of any remedy for the enforcement of Tenant's

liability under the Lease, resulting from the operation of any present or future bankruptcy code of other statute, or from the decision in any court;

- (c) the rejection or disaffirmance of the Lease in any such proceedings;
- (d) the assignment or transfer of the Lease or sublease of all or part of the premises described in the Lease by Tenant;
  - (e) any disability or other defense of Tenant; or
- (f) the cessation from any cause whatsoever of the liability of tenant under the Lease.
- 5. Until all of the Tenant's obligations under the Lease are fully preformed, Guarantor:
- (a) waives any right of subrogation against tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor under this Guaranty.
- (b) waives any other right that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligations of Guarantor under this Guaranty;

and

- (c) subordinates any liability or indebtedness of tenant held by Guarantor tot he obligations of Tenant and Landlord under the Lease.
- 6. The Guaranty is a continuing guaranty and will apply to (i) the Lease; (ii) any extension or renewal of the Lease, (iii) any amendment or modification of any

provision, term, covenant or obligation of the Lease, including without limitation, rent obligations, length of term and the premises subject to Lease; and (iv) any holdover term following the term of the Lease, or any such extension or renewal.

- 7. Guarantor's obligation for continuingly accruing rent under the Lease, shall cease at such time as the Tenant delivers possession of the Demised Premises to Landlord after an Event of Default by Tenant under the Lease. Guarantor shall remain liable for any unpaid rent accruing tot he date Tenant so delivers possession to Landlord. Delivery of possession under this paragraph shall not, however, limit the liability of Guarantor for any other obligations of Tenant under the Lease, including, without limitation, waste, environment obligations under Paragraph 16 of the Lease, and obligations under Paragraph 13 of the Lease.
- 8. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.
- 9. Guarantor is primarily obligated under the Lease. Landlord may, at its option, proceed against Guarantor without proceeding against Tenant or anyone else obligated under the Lease or against any security for any of Tenant's or Guarantor's obligations.
- 10. Guarantor will pay on demand the reasonable attorneys' fees and costs incurred by Landlord, or its successors and assigns, in connection with the enforcement of this Guaranty.

11. Guarantor irrevocably appoints Tenant as its agent for service of process related to this Guaranty.

Guarantor has executed this Guaranty as of the \_\_\_\_ day of June, 2001.

GUARANTOR:

VITO MEGHNAGI

Having an address at:

19 Badger Drive

Livingston, New Jersey

# COMMERCIAL BUILDING LEASE

# BETWEEN:

LANDLORD:

Austin & Austin Company

TENANT:

Milano French Cleaners

LOCATION:

89 Morris Street Morristown, N.J. Lot 11, Block 4801

DATE:

November 1, 1996

# TABLE OF CONTENTS

1. Basic Lease Provisions and Definitions
2. <u>Demised Premises</u>
3. <u>Term</u>
4. Condition of Premises
5. <u>Rent</u>
6. Real Estate Taxes and Assessments
7. <u>Utilities and Services</u>
8. Operating Expenses
9. Use and Operation of Premises as a Retail Dry Cleaners and Laundry
10. <u>Insurance</u>
11. Repairs and Alterations
12. Eminent Domain
13. Indemnity and Liability for Injury and Loss
14. <u>Lease Subordination</u>
15. Casualty Damage
16. Compliance with Environmental Laws
17. Defaults and Remedies
18. Assignment and Subletting
19. <u>Signs</u> 16
20. <u>Landlord's Right to Make Modifications to the Property</u>
21. <u>Security</u>
22. <u>Quiet Enjoyment</u>
23. <u>Holding Over</u>
24. <u>Surrender</u>
25. <u>Notices</u>
26. Compliance with Laws
27. Option to Extend Term

28.	Exculpation								• • • •	• • • •	1>	,
			3	Ł	·,							
29.	Miscellaneous										19	)
	a. Definitions			<b>.</b> .							19	)
	b. Abandonment											
	c. Waiver						<i>:</i>				20	)
	d. Entire Agreeme	ent.									20	)
	e. Lease Effective.	<u> </u>									20	)
	f. Partial Invalidit		••••	• • • • • •			••••				20	)
	g. Landlord's Rig	<u>.Y</u>	• • • • •	• • • • •	• • • • •		• • • •		• • • •		20	ì
	g. Landiord's Rig	nts of Entry	• • • • •	• • • • •	• • • • •	• • • • •	• • • •		• • • •	• • • •	20	'n
	h. No Liens by Te	<u>nant</u>	••••		• • • • •	• • • • •	• • • • •	• • • •	• • • •	• • • •	20	,
	i. Interpretation.	• • • • • • • • •	•,• • • •	•••••	• • • • •	• • • • •	• • • •	• • • •	• • • •	• • • •	20	
	j. Survival of Ten	ant's Obliga	<u>tions</u>	• • • • •	• • • • •	• •,• • •	• • • •	• • • • •	• • • •	• • • •	21	ı
	k. Trial by Jury V											
	l. Acceptance of P	ossession		• • • • •	*/* * * *	• • • • •	• • • •	• • • • •	• • • •	• • • •	21	L
	m. Successors and	l Assigns					• • • •		• • • •	• • • •	2	l
	n. Joint and Seve											
	o. Authority											
	p. Recording						,				21	Ĺ
	q. Governing Lav	<u>v</u>									, 21	Ĺ
		_										

# COMMERCIAL LEASE

THIS LEASE, made as of the 1st day of November, 1996, (hereinafter referred to as "Commencement Date"), by and between AUSTIN & AUSTIN COMPANY, having its principal office at the address set forth in Paragraph 1i (hereinafter referred to as "Landlord") and MILANO FRENCH CLEANERS, a New Jersey corporation, having the address set forth in Paragraph 1i (hereinafter referred to as "Tenant").

# 1. Basic Lease Provisions and Definitions.

- a. Address of Property: 89 Morris Street, Town of Morristown, Morris County, New Jersey, Lot 11 in Block 4801 on the current tax maps.
  - b. Approximate Size of Demised Premises: 3,221 square feet.
  - c. Term: Five years after the Rent Commencement Date.
- d. Rent Commencement Date: The date on which any of the following events first occur: (i) Tenant opening the Demised Premises for business, (ii) the issuance of a Certificate of Occupancy for the Demised Premises by the Town of Morristown, or (iii) January 1, 1997.
- e. Termination Date: The date immediately preceding the fifth anniversary of the Rent Commencement Date.
- f. Base Annual Rent: The base annual rent during the first lease year shall be \$48,312.00, payable in equal monthly installments of \$4,026.00 After the first lease year the base annual rent shall be calculated as provided for in Paragraph 5b.
  - g. Proportionate Share: 23%
- h. Security Deposit: \$8,052.00, subject to reduction to \$4,026.00 at the end of the third lease year in accordance with the terms of Paragraph 21.
  - i. Addresses for payment of rent and notices:

#### Tenant:

Landlord:

Milano French Cleaners 19 Badger Drive Livingston, N.J. 07039 Attn: Vito Meghnagi, President Austin & Austin Company P.O. Box 29 Morris Plains, N.J. 07950 Attn: Peter S. Austin

# 2. Demised Premises.

Landlord leases to the Tenant and Tenant rents from Landlord the premises outlined in red on the plans attached as Exhibit A, consisting of approximately the gross square feet of rentable floor space shown in Paragraph 1b ("Demised Premises") in a certain building(s) complex located on lands described or shown in Exhibit B and at the address indicated in Paragraph 1a (the lands on which the Demised Premises is situate, as well as all buildings, common areas and other improvements now or hereafter located on said lands shall be collectively referred to as the "Property"), along with the right to use, in common with other tenants, the areas, if any, now or hereafter designated by Landlord for common use including, but not limited to, parking facilities, drives, passageways, landscaped areas, (collectively referred to as "common area").

Z:\LEGAL\LEGAL1\LEASES\AUSTIN.LSE 11:35:96

# 3. Term.

The term of this Lease shall commence on the Commencement Date and shall end on the date ("Termination Date") which is the day immediately preceding the fifth anniversary of the Rent Commencement Date (as defined in Paragraph 1d), except if terminated earlier as provided herein. If the Rent Commencement Date or Termination Date set forth in Paragraphs 1d and 1e are not specific dates but depend upon the occurrence of certain events or conditions in the future, or if the actual Rent Commencement Date or Termination Date shall be other than the specific date therefor set forth in Paragraph 1d or 1e, the parties agree to execute a memorandum stating the actual Rent Commencement Date or Termination Date once same has been

# 4. Condition of Premises

- Landlord shall deliver the Demised Premises to Tenant on the Commencement Date in an "as is", "where is" and "with all faults" condition. Tenant shall be responsible for all leasehold improvements at its own cost and expense in accordance with Paragraph 11c. The Landlord approves the leasehold improvements which, as of the Commencement Date, have been constructed by Tenant at the Demised Premises.
- b. Tenant shall be solely responsible, at its own cost and efforts, to obtain an unconditional and final Certificate of Occupancy for its business to be conducted at the Demised Premises, and for all zoning permits, building and other construction permits, licenses and any other governmental approvals and consents associated with or required in connection with the Certificate of Occupancy for the Demised Premises or Tenant's use, occupancy and conduct of business at the Demised Premises. Tenant shall be solely responsible, at its own cost and efforts, to make such improvements and perform such work as necessary in order for Tenant to lawfully conduct its business at the Demised Premises.
- c. Landlord reserves throughout the term of this Lease, the right to block up the existing 8' x 8' overhead door in the rear of the Demised Premises. In the event Landlord elects to block up said overhead door, Landlord shall install, at its own expense, (i) a 3' wide passage door and (ii) either, a skylight, or a roof mounted fan for ventilation. Landlord reserves the right to recapture, at any time during the term and upon at least 15 days prior notice (the recapture to take effect at the end of the notice period set forth in the notice), approximately 36 square feet of space within the Demised Premises in a location shown in yellow on Exhibit A. Upon recapturing the aforesaid space, (i) the recaptured space shall no longer be part of the Demised Premises, (ii) Landlord shall install the necessary demising walls to separate the recaptured space from the Demised Premises, (iii) the base annual rent then in effect shall be reduced, as of the date of recapture, by the percentage of the Demised Premises recaptured, based on square footage (for example, if in the first lease year 30 square feet are recaptured, the new base annual rent from the date of recapture would be calculated by reducing \$48,312 by 93% [30 square feet divided by 3221 square feet], which would result in a new base annual rent of \$47,862.70), and the Proportionate Share shall be recalculated in accordance with Paragraph 29a (7), and (iv) the minimum base annual rent of \$54,757.00 for the Option Period as set forth in Paragraph 27 shall be reduced by the same percentage as for the reduction of base annual rent under subsection (iii)

## 5. Rent.

- a. Tenant's obligation to pay rent shall commence on the Rent Commencement Date. Tenant agrees to pay Landlord and Landlord hereby reserves, as base rent for the Demised Premises, the sum of the base annual rentals indicated in Paragraph 1f and Paragraph 5b.
- b. During the first lease year the base annual rent shall be the amount indicated in Paragraph 1f. Commencing on the first anniversary of the Rent Commencement Date and continuing throughout the term (including, the Option Period, as defined below), the base annual rental shall be adjusted on each and every anniversary of the Rent Commencement Date ("Adjustment Date") by multiplying the amount of the base annual rent charged in the prior lease

year immediately prior to the Adjustment Date at issue by the fraction which has as its numerator the CPI (as herein defined) figure for the September immediately prior to the Adjustment Date at issue and as its denominator the CPI figure for the September one year prior to the September used in the numerator. [For example, if the Rent Commencement Date is December 5, 1996, then the adjustment for base annual rent for the second lease year would take place on December 5, 1997, the first anniversary of a Rent Commencement Date, which would be the Adjustment Date for the second lease year. The new base annual rent would be calculated multiplying \$48,312, the base annual rent charged in the immediately prior lease year, by the fraction which has the CPI for September, 1997 as its numerator and the CPI for September, 1996 as its denominator].

Irrespective of the results of any calculation, in no event shall the base annual rental in any lease year be less than the amount of the base annual rental charged in any prior lease year. The term "CPI" shall mean the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items, New York, New York - Northeastern New Jersey, or in the event such index is discontinued, any other index evidencing comparable statistics on the purchasing power of the consumer dollar, reasonably selected by Landlord. Until the CPI figure for the months needed for the adjustment calculations are published, rent shall be paid on an estimated basis using the base annual rental figure for the immediately prior lease year, with the appropriate adjustment to be made after the aforesaid CPI figure is published. The base annual rental, as adjusted, shall be paid in equal monthly installments through the applicable months of the lease year in question.

- c. Except as otherwise provided, all payments of base annual rent and additional rent shall be made by the Tenant to the Landlord, without notice or demand and without any abatement, deduction or set-off, in equal monthly installments, in advance, and shall be due and payable on the first day of each and every calendar month throughout the term based upon the base annual rent and applicable monthly installments thereof set forth in paragraph 1f. The monthly rent installment for the first month of the term shall be due and payable upon execution of this Lease.
- d. Failure of Tenant to pay any rent installment as provided herein within seven (7) days following the due date for such installment, Landlord may impose a late charge of five (5%) percent of the installment due, said late charge to be immediately due and payable with the installment. The late charge percentage has been agreed by the parties to be a reasonable estimate of the additional administrative expense to Landlord in handling late payments. The payment and acceptance of the late charge will not constitute a waiver by Landlord of any event of default by Tenant under the Lease.
- e. In the event any check from Tenant is returned unpaid to Landlord, Tenant shall be obligated to pay Landlord, in addition to any applicable late charge under Paragraph 5c, a service charge in the amount of (a) \$50 or (b) twice the amount charged to Landlord by its bank on account of the returned item, whichever is greater. This service charge is agreed by the parties to be a reasonable estimate of the additional administrative expenses to Landlord in handling a returned item.
- f. In the event the amount of base annual rent shall change on any day other than the first day of a calendar month, the monthly installment of base rent payable in that calendar month shall be calculated using the applicable base annual rent for that month on a per diem basis. Similarly, if the Rent Commencement Date is other than the first day of the month or the Termination Date is other than the last day of the month, rent for the partial month at the beginning and end of the term shall be prorated on a per diem basis.

#### 6. Real Estate Taxes and Assessments.

a. The Tenant agrees that with respect to each Tax Year (as hereinafter defined) or partial Tax Year during the term of the Lease, Tenant shall pay as additional rent an amount equal to its Proportionate Share of the Taxes (as hereinafter defined) assessed against the Property. Such sum shall be due and payable with the monthly rent in installments reasonably estimated by Landlord, subject to periodic adjustment. After the end of each Tax Year (or at the end of the

term), the Landlord shall prepare an accounting as to Tenant's obligations under this paragraph for the Tax Year just ended, deducting the aggregate monthly installments paid by Tenant hereunder during such Tax Year from the amount of Tenant's Proportionate Share of Taxes for such Tax Year. Landlord shall issue a billing statement to Tenant based upon said accounting, with any deficiency being due from Tenant, or any overage being credited to Tenant, with the monthly rent installment next following the billing (except with respect to the final billing at the end of the term, in which case the deficiency shall be paid within ten (10) days after billing or the overage refunded to Tenant within ten (10) days following the billing, provided Tenant is not in default under the Lease). In calculating Tenant's Proportionate Share of Taxes in the partial Tax Years in which this Lease commences or terminates, Taxes shall be prorated based upon the number of days that this Lease is in effect during those Tax Years.

b. The term "Taxes" shall mean the aggregate of all real estate taxes, assessments and other governmental charges and levies, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever (including, without limitation, assessments for public improvements or benefits and interest on unpaid installments thereof, and impositions for special improvement districts) which may be levied, assessed or imposed upon the Property from time to time. The term "Taxes" shall not, however, include inheritance, estate, succession, transfer, gift, franchise, corporation, income or excess profit taxes imposed upon Landlord. In the event a special or local assessment shall be levied against the Property and said assessment may by law be payable in a series of annual installments rather than a single payment, then Tenant shall be only responsible to pay, each Tax Year, an amount equal to its Proportionate Share of what would be the permitted annual installment for that assessment, whether or not Landlord elects to pay the assessment in installments.

The term "Tax Year" shall mean the twelve (12) month period established as the real estate tax year by the taxing authorities having jurisdiction over the Demised Premises. The Tax Year in effect as of the date of this Lease is a calendar year.

- c. Landlord shall have the sole, absolute and unrestricted right, but not the obligation, to contest the validity or amount of any Taxes by appropriate proceedings. If Landlord shall institute any such contest, it shall have the sole, absolute and unrestricted right to settle any negotiation, contest, proceeding or action upon whatever terms Landlord may, in its sole discretion, determine. In the event Landlord receives any refund of Taxes (and provided Tenant is not then in default under this Lease), Landlord shall credit such proportion of the refund as shall be allocable to the Tenant's Proportionate Share of Taxes (less costs, expenses and attorney's fees) against the next succeeding payments of Taxes due from Tenant.
- d. If at any time during the term of this Lease the methods of taxation prevailing on the date of this Lease shall be altered so that in addition to or in lieu of or as a substitute for the whole or any part of the taxes now levied, assessed or imposed (i) a tax on the rents received form the Property; or (ii) a license fee measured by the rents receivable by-Landlord form the Property; or (iii) a tax or license fee imposed upon Landlord which is otherwise measured by or based in whole or in part upon the Property or any portion thereof, then, anything contained in this Lease to the contrary notwithstanding, such tax or fee shall be included in the computation of Taxes, computed as if the amount of such tax or fee so payable were that part due if the Property were the only property of Landlord subject thereto.

## 7. Utilities and Services.

a. As additional rent, Tenant shall pay its Proportionate Share for all charges for water and sewer attributable to the Property. Notice of said water and sewer charges shall be sent by Landlord to the Tenant and the payment of Tenant's Proportionate Share thereof shall be due and payable together with the next monthly rent installment following the notice. In the event separate meters are installed to monitor Tenant's use of sewer and/or water, Tenant shall be responsible to pay for its actual use of water and sewer at the Demised Premises as determined by the separate meter(s) monitoring Tenant's use and such water and sewer charges (based on the rates charged to Landlord by the company supplying the water and/or sewer service) shall be paid

separate meters are installed to monitor Tenant's use of sewer and/or water, Tenant shall be responsible to pay for its actual use of water and sewer at the Demised Premises as determined by the separate meter(s) monitoring Tenant's use and such water and sewer charges (based on the rates charged to Landlord by the company supplying the water and/or sewer service) shall be paid as additional rent, together with the next monthly rent installment following the billing by Landlord. In the event Tenant's use is billed directly by the water and/or sewerage company supplying service, Tenant shall pay such bills directly to the supplier within the time periods allowed by the supplier without imposition of interest or penalty, but in no event later than thirty (30) days after billing. Landlord shall have no obligation to install separate meters.

- b. Tenant shall be solely responsible to arrange for its own account with the appropriate utility company or supplier and pay, at its own expense, directly to such utility company or supplier, for all utilities used at the Demised Premises, including, but not limited to, electricity, gas, oil and telephone.
- c. Tenant shall be solely responsible to arrange for and pay, at its own expense, directly to the trash disposal company providing the service, for all trash and garbage disposal from the Demised Premises and off the Property.
- d. Tenant shall maintain, at its own expense, the parking lot, sidewalk and driveway ("Front Parking Facility") in front of the Demised Premises and the store immediately adjacent thereto ("Adjacent Store"), which shares said parking lot and driveway, free and clear of snow and ice. At such time as the Adjacent Store is leased, Landlord agrees to provided in such lease for the Adjacent Store that the lessee of the Adjacent Store shall be responsible to pay to Tenant 40% of the reasonable costs incurred by Tenant for snow and ice removal at the Front Parking Facility, so long as the lease for the Adjacent Store is in effect. Landlord shall have no obligation or responsibility to share in the cost of the snow and ice removal for the Front Parking Facility, irrespective of whether the Adjacent Store is vacant or leased, nor shall Landlord have any obligation or responsibility for or with respect to the payment of any monies to Tenant by the lessee of the Adjacent Store under this Paragraph or the enforcement of any right of the Tenant or the lessee of the Adjacent in connection with this Paragraph or the snow and ice removal at the Front Parking Facility.

Tenant's obligations to provide snow and ice removal at the Front Parking Facility shall be subject to and specifically covered by the indemnity given to Landlord by Tenant under Paragraph 13.

### 8. Operating Expenses.

- a. Tenant shall pay, as additional rent, an amount equal to its Proportionate Share of the Operating Expenses (as hereafter defined) paid or incurred by the Landlord in each calendar year or partial calendar year during the term of this Lease.
- b. The term "Operating Expenses" shall mean the costs and expenses paid or incurred in operating, maintaining, repairing, inspecting, insuring, protecting and managing the Property, including, but not limited to, costs and expenses arising out of the following (to the extent same are provided at the Property): lighting for parking areas and other common areas, lawn mowing, gardening and landscaping (including planting, replanting and replacing flowers, trees and shrubs); cleaning, premiums for public liability, fire, casualty, all risk (including rent insurance), workman's compensation, boiler and extended coverage insurance and other types of insurance and costs relating to the Property, parking lot and driveway paving, striping, repair and replacement, property management; electrical, gas and other utility services; general maintenance and repair of the Property, including roof, structural components, building systems and facilities; capital expenditures (under generally accepted accounting principles) for improvements and repairs to the Property required by any change in laws, ordinances, rules, or regulations that were not in effect at the time the improvements on the Property were constructed (however, such costs will be amortized over the useful life of the capital improvement or repair); capital expenditures (under generally accepted accounting principals) for improvements or repairs or other modifications to the Property that will reduce Operating Expenses (however, such costs will be amortized over the

	,		,
		· ·	
, .			
			•
		•	
•			
		•	
			•
·			
	•		•
·	•		
•			
· ·			
	• .		
•		•	
		•	
		•	
			•
		•	
			•
		· · · · · · · · · · · · · · · · · · ·	
			•
·			, .
		,	
			e.
			•
	•		
·			
	•		
	·	_	•
,			
	,	•	•
•			
	,		•
•			
	•		
			•

useful life of the capital improvement, repair or modification); janitorial services; and permits, governmental fees, inspections and licenses. Operating Expenses will not include: depreciation of the Property; costs of alterations to portions of the Property leased to other tenants in order to prepare same for such tenant's acceptance of possession; real estate brokers' commissions;

mortgage interest and capital expenditures other than those referred to above in this Paragraph 8b.

c. Tenant shall pay its Proportionate Share of Operating Expenses in monthly installments on the first day of each calendar month during the term, in advance, and in an amount estimated by Landlord. Adjustments to the estimated payment shall be made periodically after the actual cost and expense data for the Operating Expenses for the period being billed is known. In the event the Tenant shall have overpaid its Proportionate Share of Operating Expenses for any billing period, such overpayment shall be credited against the next month's installment of Operating Expenses due from Tenant. In the event Tenant shall have underpaid its Proportionate Share of Operating Expenses for any billing period, such underpayment shall be paid within thirty (30) days after the billing of same.

# 9. Use and Operation of Premises as a Retail Dry Cleaners and Laundry.

- a. Throughout the term of this Lease, Tenant covenants to use the Demised Premises solely as a retail dry cleaners and laundry. The Tenant represents and covenants that its Standard Industrial Classification number, now and throughout the term of this Lease is and shall remain 7216.
- b. The Tenant shall not permit the Demised Premises to be used for any unlawful purpose, nor shall Tenant commit or suffer any waste. The Tenant agrees to carefully preserve, protect, control and guard the Demised Premises from damage. Tenant shall not store equipment, machinery, materials, inventory or supplies or other personalty outside of the Demised Premises, nor shall Tenant conduct any business outside of the Demised Premises. Tenant shall not park any vehicles outside of the Demised Premises overnight. Tenant shall maintain the outdoor planter in front of the Demised Premises with flowers and/or other plantings. Tenant shall keep and maintain the Demised Premises and all exterior areas adjoining and in the immediate vicinity of the Demised Premises clean and orderly, free and clear of accumulations of dirt, debris and weeds. Tenant covenants to comply with all reasonable rules and regulations which Landlord may, at any time or from time to time during the term of this Lease, impose on Tenant and the other lessees, their employees, agents, licensees and customers.

## 10. Insurance.

- a. As additional rent, Tenant agrees to pay its Proportionate Share of all fire and extended coverage insurance and all liability insurance maintained by the Landlord for the Property including, but not limited to, rent insurance and insurance for personal injury and property damage.
- b. Tenant shall not do or permit to be done any act or thing on the Demised Premises which shall invalidate or be in conflict with, or cause any additional premium for, any fire insurance policy insuring the Property. Tenant shall provide its own insurance coverage for its trade and other fixtures, furnishings, equipment, inventory and other personal property at the Demised Premises. Landlord shall have no obligation to repair, restore or replace any such fixtures, personal property or improvements of Tenant in the event of casualty.
- c. Tenant shall, during the entire term hereof, at its sole cost and expense, keep in full force and effect a policy of commercial general liability and property damage insurance with respect to the Demised Premises and the business operated by Tenant in the Demised Premises with a combined single occurrence limit of not less than TWO MILLION (\$2,000,000.00) DOLLARS (which may include "umbrella" insurance coverage of not more than \$1,000,000), subject to increase and other modifications, at the reasonable discretion of the Landlord consistent with the prudent management of commercial properties. The policy shall be from a New Jersey licensed insurance company with at least a Best's rating of "A" written on a so-called "commercial general liability form" and shall name the Landlord, mortgagees and Tenant as insureds. The policy shall contain clauses (i) that all the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured, (ii) the amount of any "deductible" shall be not more than \$1,000; (iii) that the insurer will not cancel, fail

to renew or adversely modify the insurance without first giving the Landlord thirty (30) days prior written notice; (iv) blanket contractual liability; and (v) insuring Tenant under any "hold harmless" and "indemnity" provisions of this Lease. A copy of the policy or a certificate of insurance shall be delivered to Landlord on or before the Commencement Date, and a current copy of same maintained with Landlord at all times thereafter.

d. Landlord and Tenant waive all rights to recover against each other or against any other tenant or occupant of the Property, or against the offices, directors, shareholders, partners, joint venturers, employees, agents, customers, invitees or business visitors of each other or of any other tenant or occupant of the Property, for any loss or damage arising from any cause covered by any insurance required to be carried by each of them pursuant to this Paragraph 10 or any other insurance actually carried by each of them. Landlord and Tenant will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Property or the Demised Premises or the contents of either of them. Tenant will cause all other occupants of the Demised Premises claiming by, under or through Tenant to execute and deliver to Landlord a waiver of claim similar to the waiver in this Paragraph 10d and to obtain such waiver of subrogation rights endorsements.

# 11. Repairs and Alterations.

a. The Tenant covenants that throughout the term of this Lease it will take good care of the Demised Premises, including all alterations, changes and improvements at any time erected thereon, and to keep and maintain same in good order and condition, and shall promptly make, at its sole cost and expense, all repairs and replacements to all non-structural elements and the exterior and interior of the Demised Premises, including but not limited to windows, window frames, doors, locks, closing devices, floors, floor coverings, walls (other than structural defects), ceilings, lighting fixtures and bulbs. Tenant shall also keep and maintain in good order and condition, and shall promptly make, at its sole cost and expense, all repair and replacements to all electrical, air conditioning, heating, plumbing and other mechanical installation. Tenant shall also, at its sole cost and expense, maintain and repair exterior signs affixed to the Demised Premises or elsewhere and Tenant shall replace any glass windows in the Demised Premises, if damaged or broken.

Landlord shall be responsible throughout the term of this Lease for maintaining and repairing the roof and all structural elements of the Demised Premises.

Tenant shall not be entitled to any set-off or abatement in rent in the event that its use or occupancy of the Demised Premises is temporarily disturbed or diminished as a result of repair or maintenance work of Landlord or its agents, workers or contractors. Landlord shall endeavor to minimize any such interference with Tenant's use or occupancy while performing work to such extent as reasonably practical.

- b. Tenant shall, during the term of this Lease, at its sole cost and expense, promptly comply with and make any repair required by any statute, ordinance, rule, order, regulation or requirement of the Federal, State and Municipal Government and any and all departments, agencies, bureaus and subdivisions thereof having jurisdiction thereover, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the Demised Premises other than those nuisances, violations or other grievances resulting from conditions created by Landlord. Tenant agrees to observe and promptly comply with (i) all rules, orders and regulations of the Board of Fire Underwriters, and (ii) the requirements of all insurance policies maintained by the Landlord on the Demised Premises or on the property of which the Demised Premises are a part.
- c. Tenant shall have the right during the term of this Lease to make interior alterations and interior improvements ("Alterations") to the Demised Premises subject to the following conditions: (i) Tenant shall first obtain all governmental permits and approvals, if any, required therefor; (ii) no Alteration of or involving the structural portions of the building shall be undertaken until detailed plans and specifications have first been approved in writing by the Landlord; (iii) all Alterations when completed shall be of such a character as shall not reduce, or

otherwise adversely affect, the value, cubic content or structural soundness of the Demised Premises; (iv) all Alterations shall be done promptly and in a good and workmanlike manner and in compliance with all governmental laws, ordinances, orders, rules, regulations and requirements, and in accordance with the orders, rules and regulations of the Board of Fire Underwriters or any other body exercising similar functions and having jurisdiction thereof; (v) Tenant shall, prior to performing any, work provide Landlord with evidence that Tenant has (and will continue to have), at its sole cost and expense, adequate insurance therefor, including statutory workmen's compensation insurance (or certificates for contractors indicating workmen's compensation insurance is in force) covering all persons employed in connection with the work, builder's risk insurance and general liability insurance for the mutual benefit of the Tenant and the Landlord with limits reasonably acceptable to Landlord, at times when any work is in process in connection with any Alteration; (vi) Tenant shall pay all increased taxes and insurance premiums assessed or charged as a result of the Alterations. The Tenant shall not be permitted to do any work on the Demised Premises which would void any portion of Landlord's insurance coverage.

#### 12. Eminent Domain.

- a. If the total Demised Premises are taken or purchased by, through or in lieu of condemnation proceedings or any right of eminent domain, with or without the entry of an order in a judiciary proceeding (hereinafter the words "Taking" or "Taken" shall refer to any such taking or sale of the Demised Premises, whether in total or part), this Lease shall terminate as of the date the Demised Premises shall be so Taken.
- b. In the event that only a portion of the Demised Premises is Taken, this Lease shall remain in full force and effect, the Demised Premises as defined under this Lease shall become the portion of the Demised Premises remaining after the Taking, the base annual rental payable hereunder shall be abated in the proportion that the square footage of floor space of the Demised Premises Taken bears to the square footage of floor space of the Demised Premises as it existed prior to the Taking and the Proportionate Share shall be recalculated using the square footage of the Demised Premises divided by the total rentable enclosed floor area of the Property, as both. exist after the Taking. In the event, however, the portion of the Demised Premises to be Taken will constitute twenty five (25%) percent or more of the floor area of the Demised Premises or would adversely affect, in a material manner, Tenant's use and enjoyment of the Demised Premises, or in the event all or such portion of the parking area on the Property in the front of the Demised Premises is taken so as to result in the loss of half the number of parking spaces in said front lot from that number of spaces that existed prior to such Taking and Landlord does not provide access to an equivalent number of reasonably convenient substitute parking spaces, Tenant shall have the right to terminate this Lease, provided Tenant gives Landlord written notice of its election to terminate no later than thirty (30) days following the earlier of the date of the Taking or the date Landlord gives Tenant written notice that a portion of the Demised Premises is being Taken. In the event Tenant elects to terminate, the Lease shall terminate on the date sixty (60) days following Landlord's receipt of Tenant's notice of termination.
- c. In the event of a partial Taking and this Lease is not terminated, Landlord shall make such repairs to the Demised Premises as is necessary in order to restore same to an architectural unit. In the event the net proceeds of the condemnation award made available to Landlord for use in restoring the Demised Premises will not be sufficient to pay for such costs in full, Landlord shall have the right to terminate this Lease upon giving Tenant notice of such election, in which event this Lease shall terminate on the thirtieth (30th) day following the giving of such notice.
- d. The date of any Taking shall be the date title to the Demised Premises is vested in said authority. Subject to the provisions in this Paragraph 12, rent shall be adjusted and the Proportionate Share recalculated as of the later of (i) the date of said Taking, or (ii) the date Tenant vacates and surrenders possession of the portion of the Demised Premises being Taken.
- e. Upon any termination of this Lease as provided in this Paragraph 12, the Termination Date under this Lease shall become the date of such termination. Irrespective of a termination of the Lease under this Paragraph 12, Tenant shall remain liable for all rent and other

obligations under this Lease, which, but for the termination, would otherwise have arisen, through such time as Tenant vacates and surrenders possession of the Demised Premises. All rent or other charges paid in advance for any period after the Termination Date shall be refunded, less any sums due Landlord, to Tenant, provided Tenant is not in default under this Lease.

- f. All compensation and damages awarded for any Taking of the Demised Premises or the Property, whether a total or a partial Taking, shall belong solely to the Landlord and Tenant shall have no right or claim to any part of such compensation or damages as a result of the loss of its leasehold interest, leasehold improvements or otherwise. Tenant waives any and all claims it may have against Landlord relating to any Taking. Tenant may pursue a claim for relocation expenses from the Taking authority, but in no event may Tenant pursue any claim against the Taking authority which would in any way reduce or adversely affect the claim of Landlord.
- g. Upon termination of this Lease, Tenant shall vacate the Demised Premises and surrender possession thereof pursuant to Paragraph 24 of this Lease, on the Termination Date.
- h. In the event of a Taking of the Demised Premises, whether in whole or in part, for a fixed period of time or for the duration of an emergency or other temporary condition (hereinafter referred to as a "Temporary Taking"), then this Lease shall continue in full force and effect without any abatement in rent, but the amounts payable by the Taking authority during the term of this Lease as a result of the Temporary Taking shall be paid to the Landlord and such Taking authority shall otherwise be considered the subtenant of Tenant. Landlord shall apply the amounts received from the Taking authority applicable to the rent due as a result of the Temporary Taking (net of Landlord's costs of collection) toward the amount due from Tenant as rent for that period. Any deficiency between the amount paid by the Taking authority under a Temporary Taking and the amount of rent due under this Lease shall be paid by Tenant, or any amounts so received by Landlord from the Taking authority in excess of the rent due under this Lease shall be paid to Tenant.

# 13. Indemnity and Liability for Injury and Loss.

- a. Tenant shall indemnify, defend and save Landlord, its agents and employees harmless from and against all injuries, causes of action, penalties, fines, liabilities, claims, damages, losses and expenses (including, without limitation, reasonable attorneys' fees, litigation expenses and court costs) incurred in connection with or arising from: (1) any acts, omissions or negligence of Tenant, any person claiming under Tenant, or the employees, agents, contractors, invitees or visitors of Tenant or of any person claiming under Tenant (hereafter collectively "Tenant or Others"); (2) any activity, work or thing done or permitted or suffered by Tenant or Others in or about the Demised Premises; (3) the use or occupancy of the Demised Premises by Tenant or Others; (4) any breach, violation or non-performance by Tenant or Others of any term, covenant or provision of the Lease or any law, ordinance or governmental requirement of any kind, or (5) any injury or damage to the person, property or business of Tenant or Others, except if proximately caused by the negligence of Landlord or results proximately from the negligence of Landlord. If any action or proceeding is brought against Landlord, its agents or employees by reason of any claim or matter indemnified hereunder, Tenant shall, upon notice from Landlord, defend the claim on Landlord's behalf at Tenant's expense with counsel reasonably satisfactory to Landlord.
- b. Tenant, throughout the term of this Lease, continuously waives and releases all claims against Landlord, its agents and employees with respect to all matters for which Landlord disclaimed liability pursuant to the provisions of this Lease. Landlord (1) shall not be liable to Tenant or Others on the Demised Premises for any damage either to person or property, except if the damage is proximately caused by the negligence of Landlord or results proximately from the negligence of Landlord; (2) shall not be responsible or liable in any way whatsoever for the quality, quantity, impairment, interruption, stoppage of or other interference with services involving water, heat, gas, electrical current for light and power, telephone or any other utility service; (3) shall not be liable for any loss, death, damage or injury by or from theft; act of God; public enemy; insurrection, war; riot; strike; injunction, court order; order of governmental body or authority; fire, explosion; casualty loss; falling objects; the breakage, leakage, obstruction or

other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures at the Property, water, steam, electricity; gas, rain, ice, hail, sleet; snow, or the construction, repair or alteration of the Demised Premises or from any acts or omissions of the Tenant or Others; or any cause beyond Landlord's control which may be sustained by Tenant or Others.

#### 14. Lease Subordination.

- a. This Lease shall not be a lien against the Demised Premises in respect to any mortgage(s) that now or hereafter may be placed against the Property or any part thereof, and that the such mortgage(s) shall be superior and prior in lien to this Lease, irrespective of the date of granting or recording. Tenant agrees to accept any mortgagee as the Landlord hereunder and to perform its obligation as Tenant under this Lease, if any mortgagee acquires title to the Property by foreclosure or otherwise, and further agrees that the mortgagee so acquiring title shall not: (i) be liable for any previous act or omission of Landlord or for the return of any security deposit unless same is put in its possession; (ii) be subject to any prior defenses or offsets; (iii) be bound by any modification of this Lease not expressly provided for in this Lease or by any previous prepayment of more than one month's rent, unless such modification or prepayment shall have been expressly approved in writing by said mortgagee; or (iv) be liable for the performance of Landlord's covenants and agreements contained in this Lease to any extent other than to the mortgagee's ownership in the Demised Premises, and no other property of such mortgagee shall be subject to levy, attachment, execution or other enforcement procedure for the satisfaction of Tenant's remedies.
- b. The term "mortgage" as used in this section includes mortgages, deeds of trust or any similar instruments and modifications, extensions, renewals and replacements thereof.
- c. The provisions of the subordination and attornment contained in this paragraph shall be self-operative and no further instrument of subordination shall be required in order to bind Tenant hereunder. In the event Landlord desires confirmation of such subordination and attornment, Tenant shall deliver a confirmatory instrument.
- d. Tenant does hereby agree to any assignment by Landlord, now or hereafter, of the rentals under this Lease to a mortgagee, and all extensions, renewals, modifications and replacements thereof. Upon request, Tenant shall, within five (5) days after receipt, execute and deliver to Landlord an acknowledgment, in a form required by any mortgagee, stating (i) it is the Tenant under this Lease; (ii) the Demised Premises have been unconditionally accepted and occupied and rent payments have commenced; (iii) the Lease is in full force and effect and fully set forth the agreement of the parties; (iv) the Lease has not been modified, amended, assigned or sublet; (v) no claim or right of set-off exists and neither Landlord nor Tenant is in default and no grounds for reducing the rent or canceling the Lease exist; and (vi) any exceptions to the above statements.

#### 15. Casualty Damage.

- a. If, after the date hereof, the Demised Premises should be damaged or destroyed by fire or other casualty (hereinafter referred to as "Casualty Damage"), Landlord shall, at its option and in accordance with the provisions of this Paragraph 15, either repair and restore the Demised Premises or terminate this Lease. Landlord shall notify Tenant, in writing, of its election, not more than thirty (30) days after a settlement of its insurance claim with respect to the Casualty Damage.
- b. In the event Landlord does not elect to terminate the Lease, Landlord shall repair or restore the Demised Premises to substantially the condition in which the Demised Premises was to be delivered to Tenant at commencement of this Lease pursuant to Paragraph 4 of this Lease or to substantially the condition in which the Demised Premises was in immediately prior to the Casualty Damage, at Landlord's option. Landlord shall not be required to repair, replace or restore any trade fixtures, signs or other installations and improvements theretofore made by Tenant, nor any products, merchandise, furniture, equipment, machines, supplies or other

personalty of Tenant or others which may have been destroyed or damaged at the Demised Premises, as same shall be the obligation of Tenant to repair, replace or restore, with due dispatch at such time as the condition of the Demised Premises is ready for such work to take place.

- c. In the event of Casualty Damage, the monthly installments of base annual rent will be abated, as reasonably determined by Landlord, in proportion to the measure of business at or usage of the Demised Premises which Tenant is required to discontinue as a result of the Casualty Damage, unless the Casualty Damage was caused by the fault of the Tenant, its agents, employees, customers, contractors or invitees, in which event there shall be no abatement of rent. The abatement of rent shall continue for the period commencing with the occurrence of the Casualty Damage and ending with either the completion by the Landlord of the repairs or restoration which it is required to perform hereunder, or, in the event the Lease is terminated, then through the Termination Date.
- d. In the event this Lease is terminated in connection with the total destruction of the Demised Premises or a partial destruction under which Tenant is unable to use any portion of the Demised Premises, the date of the notice electing to terminate shall become the Termination Date of this Lease. In the event a portion of the Demised Premises is damaged or destroyed and Tenant is using a portion of the Demised Premises, the Termination Date, in the event the Lease is terminated, shall be the sixtieth (60th) day after the date of the notice electing to terminate, or the date the Tenant quits and surrenders possession of the Demised Premises to Landlord, whichever occurs first. In all events, Tenant shall be obligated to quit and surrender the Demised Premises to the Landlord on the Termination Date.

# 16. Compliance with Environmental Laws.

For purposes of this Lease, the following words and phrases have or include the meanings thereafter appearing: "Hazardous substances or wastes" shall include any pollutants, contaminants, dangerous substances, toxic substances, wastes, materials or substances, the presence of which requires investigation, monitoring, reporting or remediation under any federal, state or local statute, regulation, ordinance, order, law, action, policy or common law; "Discharge" shall mean any release, spill, leak, pumping, pouring, emitting, emptying, discharge, injecting, escape, leaching, disposing or dumping of hazardous substances or hazardous wastes; "Remediation" or "remediate" or "remedial" shall include any and all actions to investigate, test, sample, analyze, evaluate, monitor or clean up any known, suspected or potential Discharge or any action required to be taken pursuant to any Environmental Law (as hereinafter defined). "Remediation plans" shall mean all plans, studies, applications, forms, filings, proposals, reports, data, exhibits or any other documentation concerning or related to, directly or indirectly, compliance with Environmental Laws, sampling or testing results, environmental reports (including without limitation Phase I and Phase II audits) remediation reports, data, charts, maps, analyses, conclusions and quality assurance/quality control documentation "Environmental Laws" shall mean all applicable present and future statutes, laws, ordinances, codes, regulations, rules, licenses, permits, orders, judgments, approvals, plans, authorizations and similar items of the United States of America, the State of New Jersey, the municipality or county in which the Property is situated and all governmental and quasi-governmental agencies, departments, commissions, boards, bureaus, branches or instrumentalities thereof, relating to hazardous substances or wastes, or to the discharge or remediation thereof, or to the protection of health, safety or the environment.

Tenant shall, at Tenant's own expense, comply with all Environmental Laws applicable to the Demised Premises, Tenant's use thereof, Tenant's activities thereat, or the materials used or maintained by Tenant thereat, or to which Tenant may otherwise be subject. Tenant's obligation to comply with Environmental Laws shall specifically include, but shall not be limited to, the Industrial Site Recovery Act, N.J.S.A. 13:1k-6 et. seq. and the regulations promulgated thereunder ("ISRA"), if same is applicable to the Demised Premises. In the event Tenant shall violate any Environmental Law, Tenant shall promptly give Landlord notice of such violation and Tenant shall expeditiously and diligently undertake all necessary actions to fully cure and remedy such violations within the required time periods under the applicable Environmental Law. Tenant

shall not be obligated to remediate any Discharge or environmental condition not caused by Tenant existing at the Demised Premises prior to the Rent Commencement Date. Landlord shall be responsible for and shall indemnify and hold the Tenant harmless from any Discharge or environmental condition not caused by Tenant existing at the Demised Premises prior to the Rent Commencement Date.

Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of, the New Jersey Department of Environmental Protection (the "NJDEP") or such other appropriate governmental agencies charged with the administration of Environmental Laws (hereinafter collectively referred to as the "Agency"). Should the Agency determine that a remediation plan be prepared and that remediation or investigation be undertaken because of any Discharge at the Property which was caused by Tenant, its agents, employees, contractors, visitors, or guests, or for which Tenant shall bear responsibility under any Environmental Law, then Tenant shall, at Tenant's own expense, prepare and submit any remediation plans, financial assurances, and any other filings or submissions required under Environmental Laws, all to be in form and substance satisfactory to Landlord, and Tenant shall carry out or implement the approved remediation plans and other such filings and submissions. In no event shall Tenant's remediation plans involve the deferral of any remedial action or any engineering or institutional controls, including without limitation, capping, deed notice, deed restriction or other use restriction. Notwithstanding provisions of any Environmental Law, in no event shall Tenant's remediation meet standards any less stringent than (i) those for residential sites or (ii) the most stringent standards applicable for the hazardous substances or wastes at. issue without regard to the actual use of the Property.

Tenant's obligations under this Paragraph 16 shall also arise if there is any closing, termination or transferring of operations or ownership of an industrial establishment at the Demised Premises pursuant to ISRA or any other triggering event under ISRA or other Environmental Law which would necessitate compliance, irrespective of the initiator or cause of such triggering event. Tenant shall have the primary responsibility to comply with ISRA, irrespective of who or how ISRA was triggered.

Tenant shall notify Landlord of all meetings scheduled between Tenant or Tenant's representatives and any Agency, sufficiently in advance of such meeting so Landlord is afforded a reasonable opportunity to attend and Landlord and its representatives shall have the right, without the obligation, to attend and participate in all such meetings. Tenant shall deliver to Landlord, without need for prior request, all environmental documentation concerning Discharges or potential Discharges, the environmental condition at the Demised Premises or its environs or concerning violations, actual or alleged, of Environmental Laws by Tenant, in the possession or under the control of Tenant, including without limitation all remediation plans, affidavits, sampling or testing results, reports regarding correspondence to or from any Agency, correspondence to or from Tenant's environmental consultants and experts, submissions to any Agency, notices of violation or directives from any Agency, and any approvals or disapprovals from any Agency. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of documents necessary to file under ISRA or any other Environmental Law and shall promptly sign affidavits and other such documents when requested by Landlord.

Tenant shall indemnify, defend and save Landlord harmless from all fines, suits, procedures, claims, losses, damages, penalties, cost, expenses, and actions of any kind, foreseen or unforeseen, including without limitation, legal, engineering and other professional or expert fees incurred by Landlord, arising out of or in any way connected, directly or indirectly, wholly or partly, with (i) any Discharge at the Property which was caused by Tenant, its agents, employees, contractors or guests; (ii) Tenant's failure to provide all information, make all submissions and take all actions required under any Environmental Law or by an Agency, or (iii) Tenant's action or inaction with regard to Tenant's obligations under this Paragraph 16. Tenant's failure to abide by the terms of this Paragraph 16 shall be restrainable or enforceable by injunction.

Tenant shall effectuate and complete full compliance with ISRA and any other applicable Environmental Law, including without limitation any necessary remediation, subject to the provisions of this Paragraph 16 prior to the Termination Date of this Lease, and will be liable

for damages to Landlord if it fails to do so, which at a minimum shall equal a per diem rental for the period after the end of the term until compliance is completed at the greater of the fair market rental at the end of the term or the rental for an unconsented holdover pursuant to Paragraph 23. Tenant shall commence its compliance with such laws in sufficient time prior to the Termination Date so as to complete its obligations under this Paragraph 16, by no later than the Termination Date. Promptly upon completion of all required remediation activities, Tenant shall restore the affected areas from any damage or condition caused by the work, including without limitation, closing, pursuant to law, any wells which had been installed. In the event ISRA shall apply to Tenant's occupancy of the Demised Premises and its termination of operations at the Demised Premised, Tenant shall deliver to Landlord a non-qualified approval of Tenant's negative declaration or non-qualified no further action letter on or before the Termination Date. In the event ISRA shall not apply to Tenant's occupancy of the Demised Premises and its termination of operations at the Demised Premises, Tenant shall furnish landlord with a letter of ISRA non-applicability from the NJDEP on or before the Termination Date.

Tenant's obligations under this Paragraph 16 shall survive the termination of this Lease.

### 17. Defaults and Remedies.

- a. The following shall constitute events of default under this Lease:
- (1) failure to pay when due any installment of rent or additional rent reserved herein, or any part of either which failure shall continue for more than ten (10) days;
- (2) failure in the performance of or compliance with any of the other covenants, conditions and/or terms of this Lease, which failure shall continue for more than thirty (30) days after written notice thereof to Tenant, provided, however, if the default complained of in the notice is of such a nature that it could not reasonably by cured within thirty (30) days, then there shall be no default so long as Tenant (i) commences cure within thirty (30) days after the notice, (ii) pursues the cure with all due diligence, and (iii) completes the cure within no more than ninety (90) days after the notice;
- (3) abandonment, vacation or desertion of the Demised Premises or suspension of business at the Demised Premises for more than thirty (30) consecutive days;
- (4) if this Lease shall be assigned, sublet, pass to or devolve upon one other than the Tenant, except as permitted in Paragraph 18;
- (5) the filing by or against Tenant of any petition with respect to its own financial condition under any bankruptcy law or any amendment thereto (including, without limitation, a petition for reorganization, arrangement or extension), or under any other insolvency law or laws providing for the relief of debtors (which petition, if filed against Tenant shall not be dismissed within ninety (90) days); the appointment of a receiver, trustee, custodian, conservator or liquidator for Tenant on all or substantially all of Tenant's assets, and the underlying proceeding is not dismissed within ninety (90) days after the commencement thereof, the admission by Tenant of its insolvency, making of a general assignment for the benefit of creditors;
- (6) if Tenant (provided Tenant is a corporation or other entity created by law) liquidates or ceases to exist.
- b. Upon the occurrence of an event of default, Landlord, in addition to any and all rights and remedies it may have at law and equity, may exercise any one or more of the following remedies:
- (1) Landlord may give Tenant a notice (the "Termination Notice") of its intention to terminate this Lease specifying a date not less than three (3) days thereafter, upon which date this Lease, the term and estate hereto granted and all rights of Tenant hereunder shall expire and terminate. Notwithstanding the foregoing: (i) Tenant shall remain liable for damages as

hereinafter set forth, and (ii) Landlord may institute dispossess proceedings for non-payment of rent, or other proceedings to enforce the payment of rent without giving the Termination Notice. Upon any such termination or expiration of this Lease, Tenant shall peaceably quit and surrender the Demised Premises to Landlord, and Landlord may without further notice enter upon, re-enter, possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise and may have, hold and enjoy the Demised Premises and the right to receive all rental and other income of and from the same as heretofore provided.

- (2) Landlord may, at Landlord's sole option (without imposing any duty upon Landlord to do so), and Tenant hereby authorizes and empowers Landlord to: (i) re-enter the Demised Premises as Tenant's agent or for any occupant of the Demised Premises under Tenant, or for its own account or otherwise, (ii) relet the same for any term, (iii) restoring the Demised Premises to the condition in which it was required to be surrendered by Tenant under Paragraph 24, and (iv) receive and apply the rent so received to pay all fees and expenses incurred by Landlord, directly or indirectly, as a result of Tenant's default, including, without limitation, any legal fees and expenses arising therefrom, the cost of re-entry, repair and reletting and the payment of the rent and other charges due hereunder. No entry, re-entry or reletting by Landlord, whether by summary proceedings, termination or otherwise, shall discharge Tenant from any of its liability to Landlord as set forth in this Lease, and in no event shall Tenant be entitled to or receive any benefit or credit from any rental in excess of the rent reserved under this lease which results from a reletting of the Demised Premises after Tenant's default;
- (3) Regardless of whether Landlord relets the Demised Premises, or enters or re-enters the same, whether by summary proceedings, termination or otherwise, Tenant will pay Landlord, and be liable to Landlord for (i) the full amount of all base annual rent, additional rent, and other charges then due or thereafter to become due to Landlord hereunder less any sums collected by Landlord during the remaining term of this Lease; said amount shall be paid by Tenant to Landlord on the days originally fixed herein for payment thereof, or (ii) liquidated damages in an amount which, at the time of such termination, re- entry or dispossess by the Landlord, as the case may be, is equal to the excess, if any, of the then present value of the installments of the base annual rent reserved hereunder for a period which would otherwise have constituted the unexpired portion of the then current term of this Lease, over the then present value of the market rental value of the Demised Premises for such unexpired portion of the then current term of this Lease, discounted at the rate of seven (7%) percent per annum;
- (4) If Tenant shall fail to pay any taxes or make any other payment required to be made under this Lease, or shall default in the performance of any covenant, agreement, term, provision or condition herein contained, Landlord may, without being under any obligation to do so, and without thereby waiving such default, make such payment and/or remedy such default for the account and at the sole expense of Tenant. Tenant shall pay to Landlord, on demand, the amount of all sums so paid and all expenses so incurred by Landlord, together with interest, at the rate set forth in subparagraph 17(b)(5) below, on such sums and expenses from the date incurred until payment in full;
- (5) Interest on any sums due to Landlord from Tenant under this Lease shall accrue from the date such sums became due and payable, at a variable rate equal to two (2) percentage points above the prime interest rate as set daily by Chase Manhattan Bank, N.Y.C., N.Y., but in no event less than ten (10%) percent per annum.
- c. Tenant shall be liable for any and all reasonable attorneys' fees which Landlord may incur as a result of enforcing or protecting its rights against Tenant under this Lease.
- d. In the event Tenant defaults under this Lease, the parties agree that Landlord shall be deemed to have satisfied any obligation at law to mitigate damages by listing the Demised Premises for rental with a commercial real estate broker licensed to do business in New Jersey.
  - 18. Assignment and Subletting.
    - a. Tenant shall not be entitled to transfer, sell, mortgage, pledge, hypothecate, or

assign this Lease or sublet or grant a concession or license or otherwise permit any other person or entity to occupy the Demised Premises or any part thereof (hereinafter referred to as "Assignment") without the prior written consent of Landlord, which consent shall not be unreasonably withheld. If Tenant is a corporation (other than a public corporation), partnership or other such legally created entity, a transfer of stock, partnership interest or other type interest in Tenant, whether by sale, assignment, bequest, inheritance, operation of law, or otherwise to a natural person or entity other than to one which owned such an interest in Tenant at the time this Lease is executed, shall be deemed an Assignment which is prohibited hereunder.

The criteria for Landlord's consent shall include such factors as, without limitation, proposed assignee's (hereinafter referred to as the "Assignee") financial condition and its experience in the business it will conduct at the Demised Premises (without regard to the Tenant's continued responsibility under the Lease); the activity that will be carried out by the Assignee at the Demised Premises; satisfactory assurance that the Assignee's presence at the Demised Premises would not constitute an "industrial establishment" under ISRA, approval by the holders of any mortgages against the Demised Premises or any assignees under any assignment of leases made by Landlord. Tenant shall provide Landlord with all information requested by Landlord for its decision on the requested Assignment and Tenant shall bear all expenses incurred or sustained by Landlord in order to assess and evaluate the Assignment, including, but not limited to, its reasonable attorney's fees. Any consent shall apply only to the specific transaction for which it was given and shall not be a waiver of the obligation of Tenant to obtain the consent from Landlord for any subsequent Assignments. The acceptance or collection of rent by the Landlord from any Assignee shall not be deemed an acceptance of such Assignee as Tenant in lieu of written express consent or as a release of Tenant from its obligation under this Lease. In no event shall the rent charged to any Assignee by Tenant under any Assignment exceed the rent payable to Landlord by Tenant under this Lease. Breach of this limitation on rent payable under an Assignment shall constitute a default under this Lease giving Landlord the ability to exercise any or all or its rights under Article 17, including the right to terminate this Lease and any Assignment thereunder.

- b. In the event Landlord consents to an Assignment, such consent to that Assignment shall be expressly conditioned upon the compliance by Tenant and the Assignee of the following provisions:
- (1) From the time of the request for a consent to the Assignment through the effective date of the Assignment itself, this Lease must be in full force and effect without any breach or default thereunder existing on the part of the Tenant.
- (2) The Assignee shall assume, by written recordable instrument, in form and content reasonably satisfactory to Landlord, the due performance of all of Tenant's obligations under the Lease, including any accrued obligations at the time of the assignment.
- (3) A copy of the executed Assignment and the original assumption agreement shall be delivered to the Landlord prior to the effective date of such Assignment.
- (4) Such Assignment shall be upon and subject to all the provisions, terms, covenants and conditions of this Lease and the Tenant, Assignee and any Guarantor shall continue to be and remain liable hereunder.
- (5) Tenant shall have complied with the requirements of ISRA and shall have received from the NJDEP either (i) a non-qualified approval of Tenant's negative declaration, or (ii) a letter of ISRA non-applicability. Tenant shall furnish Landlord with a copy of either the approval or the letter of ISRA non-applicability from the NJDEP at the time the request for consent to the Assignment is made under Landlord.
- c. In the event the Assignment, for which consent is being requested from Landlord, is not being done in conjunction with the sale of Tenant's business at the Demised Premises, Landlord shall have the right, at its sole option, in lieu of giving its consent to an Assignment, to recapture the Demised Premises, in which event the Termination Date for this Lease shall become

the date the Assignment was to become effective (or if no effective date was specified by Tenant in its request for consent, then the Termination Date shall be the sixtieth day following Landlord's election to recapture)

#### 19. Signs.

The Tenant shall not display any sign, picture, advertisement, awning, merchandise, or notice ("Signage") on the outside of any structure on the Property, nor anywhere in the common area, nor on the outside of the Demised Premises, except as permitted by Landlord. All Signage of Tenant shall be subject to any applicable governmental laws, ordinances and regulations. Subject to Landlord's approval as to construction, appearance and content, Tenant may install and maintain, at its own expense, a sign stating Tenant's business name above the front door of the Demised Premises. Tenant shall have no right to maintain a sign on Landlord's free standing pylon sign ("Pylon") at the front of the Property. In the event Landlord shall permit Tenant to maintain a sign on the Pylon, Tenant acknowledges that Landlord may at any time, at Landlord's absolute discretion, revoke its permission for Tenant having a sign on the Pylon and require Tenant to remove, relocate, change, alter, replace, substitute or modify the sign on the Pylon, at Tenant's sole cost and expense. Tenant shall be responsible for the maintenance and repair of its Signage and shall remove all its Signage at the expiration of the term of this Lease and repair all damage caused by the removal.

### 20. Landlord's Right to Make Modifications to the Property.

Landlord reserves the right to make changes to the Property, common areas and the improvements thereon, other than to the Demised Premises.

### 21. Security.

- a. Tenant shall, on the date hereof, deposit and maintain with the Landlord throughout the term of this Lease the sum of money set forth in Paragraph 1h as security for the full performance of the conditions to be performed by the Tenant. If Tenant defaults in its payment of rent or performance of its other obligations under this Lease, Landlord may use all or part of the security deposit for the payment of rent or any other amount in default, or for the payment of any other amount that Landlord may spend or become obligated to spend by reason of Tenant's default or breach of its obligations under this Lease, or for the payment to Landlord of any other loss or damage that Landlord may suffer by reason of Tenant's default or breach of its obligations under this Lease. If Landlord so uses any portion of the security deposit. Tenant will restore the security deposit to its original amount within ten(10) days after written demand from Landlord otherwise same shall be a default under Paragraph 17a(1) of this Lease in the same manner as a failure to pay rent within 10 days of the date due. Landlord will not be required to keep the security deposit separate from its own funds and Tenant will not be entitled to interest on the security deposit. The security deposit will not be a limitation on Landlord's damages or other rights under this Lease, or a payment of liquidated damages, or an advance payment of rent. Landlord will return the unused portion of the security deposit to Tenant within sixty (60) days after the end of the term, subject to any deductions necessitated by Tenant's default or breach of the obligations at the end of the term, including, but not limited to its obligations under Paragraph 24; however, if Landlord has evidence that the security deposit has been assigned to an assignee of the Lease, Landlord will return the security deposit to the assignee. Landlord may deliver the security deposit to a purchaser of the Property and be discharged from further liability with respect to it.
- b. Provided (i) Tenant shall not have committed an event of default under this Lease, whether or not notice thereof was given by Landlord or cure made by Tenant, and (ii) Tenant shall have paid its rent hereunder fully and prior to the date a late charge could have been imposed, the security deposit, at the end of the third lease year, shall be reduced to \$4,026.00, and any excess security deposit being held by Landlord shall, at the request of Tenant, be returned to Tenant so that Landlord is then holding \$4,026.00.

### 22. Quiet Enjoyment.

Landlord covenants and agrees with Tenant that upon Tenant's prompt and full payment of all rent and other sums required to be paid by Tenant under this Lease and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Demised Premises, subject, nevertheless, to the terms and conditions of this Lease and any present or future underlying leases, ground leases and/or mortgages on the Property

#### 23. Holding Over.

The Tenant shall have no right to remain in possession after the Termination Date. If the Tenant shall occupy the Demised Premises after the expiration of this Lease with the consent of the Landlord (which consent it shall be the obligation of Tenant to obtain in writing prior to the Termination Date and which consent Landlord shall be under no obligation to give), and rent is accepted and collected from said Tenant, such occupancy and payment shall be construed as an extension of this Lease for a term of month-to-month only, from the date of such expiration. In such event, if either Landlord or Tenant desires to terminate said occupancy at the end of any month after the termination of this Lease, the party so desiring to terminate the same shall give the other party at least thirty (30) days written notice to that effect. If such occupancy continues after such notice of termination, or if Tenant shall continue its occupancy after the Termination Date without obtaining Landlord's consent, Tenant shall pay to Landlord, as partial damages and without need for notice or demand, double the amount of both base annual rental and all additional rent for the time Tenant retains possession of the Demised Premises or any part thereof after termination of the term together with all costs, expenses and damages incurred by Landlord and its agent to obtain possession from Tenant and/or as a result of any loss and/or liability sustained by Landlord or its agents in connection with any subsequent tenancy which may have intended to occupy said Demised Premises at the expiration of the term herein. The acceptance of rent by Landlord shall not be deemed to create a new or additional tenancy other than aforesaid.

### 24. Surrender.

- a. On the last day of the term or on the sooner termination thereof, Tenant shall, at Tenant's sole cost and expense, (i) peaceably surrender the Demised Premises broom- clean, in good order and condition and upon Landlord's request, restored to its original condition as of the commencement of the term of this Lease, except for reasonable wear and tear, and (ii) remove from the Demised Premises all of Tenant's Signage, movable furniture, equipment, machinery, trade fixtures and carpeting, unless this Lease shall otherwise provide that such items are or became the property of Landlord (the personalty which belongs to Tenant and which Tenant may remove shall be referred to as "Tenant's Property"), and any of Tenant's Property not so removed may at Landlord's election and without limiting Landlord's right to compel removal thereof, be deemed abandoned. Any damage to the Demised Premises caused by Tenant in the removal of Tenant's Property shall be repaired by and at Tenant's expense.
- b. The title to all Alterations, additions, improvements, repairs, decorations (including any carpeting and hard surface, bonded or adhesively affixed flooring), heating, ventilation and air conditioning equipment and fixtures (other than Tenant's Property)) which shall have been made, furnished or installed by or at the expense of either the Landlord or Tenant in or upon the Demised Premises, vest in Landlord upon the installation thereof, and the same shall remain upon and be surrendered with the Demised Premises as part thereof without disturbance and without charge, unless otherwise required by Landlord.
- c. No act or thing done by Landlord or its agent or by any employee of Landlord or its agent during the term of this Lease, including but not limited to, the delivery or acceptance of keys to the Demised Premises or the entry into the Demised Premises, will be deemed an acceptance of a surrender of the Demised Premises by Landlord, and no agreement to accept surrender shall be valid and binding upon Landlord unless in writing and signed by Landlord.

All notices and demands which are required to or are permitted by the terms of this Lease shall be given in writing, whether herein specified or not, and shall be deemed effectively given three business days after being sent by United States registered or certified mail, postage prepaid, or one business day after being sent by United States express mail, postage prepaid, or by Federal Express (or by such other national overnight courier service), in each case addressed to the parties at the addresses shown in Paragraph 1i. Notices transmitted by means other than set forth above shall be deemed effectively given upon receipt by the party being noticed. Said addresses and the names of the parties to whom notices are to be sent may be changed from time to time by either party or by an assignee or successor or either of them by the giving of written notice to the other.

### 26. Compliance with Laws.

Tenant will not use or occupy, or permit any portion of the Demised Premises to be used or occupied, (a) in violation of any law, ordinance, order, rule, regulation, certificate of occupancy or other governmental requirement, or (b) for any disreputable business or purpose, or (c) in any manner for any business or purpose that creates risks of fire or other hazards, or that would in any way violate, suspend, void or increase the rate of fire or liability or any other insurance of any kind at any time carried by Landlord upon all or any part of the building in which the Demised Premises are located or its contents. Tenant will comply with all laws, ordinances, orders, rules, regulations and other governmental requirements relating to the use, condition or occupancy of the Demised Premises, and all rules, orders, regulations, recommendations and requirements of the board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the building in which the Demised Premises are located.

### 27. Option to Extend Term.

Tenant shall have the option to extend the initial term of this Lease for a period of five (5) years (the "Option Period"), with the Option Period commencing on the fifth (5th) anniversary of the Rent Commencement Date and terminating on the day immediately preceding the tenth (10th) anniversary of the Rent Commencement Date. The option to extend, as well as the commencement of the Option Period, shall be expressly conditioned upon Tenant, up to the time the Option Period is to begin, having fully and timely complied with all its monthly rental obligations under this Lease and Tenant not having committed a breach or default of any other of its other obligations under this Lease.

The option to extend is exercisable by Tenant, if at all, only in strict compliance of the aforesaid conditions and by giving Landlord written notice of its election to extend the term not later than the one-hundred eightieth (180th) day prior to the Termination Date. Strict compliance with the conditions of the options and the exercise thereof is deemed material to the parties and time for exercise is of the essence. Failure to so exercise shall be deemed a waiver of this option by Tenant, in which event this Lease shall expire on the Termination Date as set forth in Paragraph 3. All terms, provisions, covenants and conditions of this Lease shall apply during the Option Period, except that there shall be no further right to extend the term beyond the Option Period and the base annual rental during the Option Period shall be as provided in Paragraph 5b, as modified by this Paragraph 27.

The base annual rental to be charged during each lease year of the Option Period shall be determined pursuant to Paragraph 5b, except that in the event such calculation shall result in a base annual rent figure of less than \$54,757.00 in any lease year, then the base annual rent for such lease year shall be \$54,757.00. [For example, if the base annual rent for the fifth lease year is \$50,000, and the CPI for September, 2001 is 205 and the CPI for September 2000 is 190, then the base annual rent for the sixth lease year would be \$54,757 because the result of the calculation under Paragraph 5b (205/190 x \$50,000 = \$53,947.37) is less than \$54,757.]

### 28. Exculpation.

Notwithstanding anything to the contrary set forth in this Lease, it is specifically understood and agreed by Tenant that there shall be absolutely no personal liability on the part of Landlord or any of the individuals comprising the Landlord, or on the part of the partners or agents of Landlord with respect to any of the terms, covenants and conditions of the Lease, and Tenant shall look solely to the equity, if any, of Landlord in the Property in which the Demised Premises is a part for the satisfaction of each of the terms, covenants and conditions of this Lease to be performed by Landlord. This exculpation of personal liability of Landlord, the individuals comprising Landlord, its partners and agents is absolute and without any exception whatsoever.

### 29. Miscellaneous

### a. Definitions.

- (1) The word "Tenant" shall mean each and every person or party mentioned as Tenant herein, and if there shall be more than one Tenant, then each such person or party being named as a Tenant shall be jointly and severally liable for the obligations of the Tenant under this Lease, and any notice required or permitted by the terms of this Lease may be given by or to any one thereof and shall have the same force and effect as if given by or to all thereof.
- (2) The term "Landlord" as used in this Lease shall mean the owner or lessee (if the Landlord claims the right of possession by reason of a lease or sublease from the owners) for the time being of the Property, and if such property or the Lease be sold or transferred, voluntarily or involuntarily, the seller, or assignor, shall be entirely relieved of all obligations under this Lease and it shall be deemed without further agreement between the parties hereto and their successors, that the purchaser on such sale or the lessee or assignee has assumed and agreed to carry out all obligations of Landlord hereunder.
- (3) The words "base rent" or "base rental" shall be the minimum amount of rent which Tenant shall pay to Landlord for leasing the Demised Premises over the term of this Lease.
- (4) The words "base annual rent" or "base annual rental" shall mean the amount of base rent payable during a lease year.
- (5) The words "rent" or "rental" may be used interchangeably and are defined to include all monies specifically reserved as base rent, base annual rent, additional rental, rent, and all costs, expenses and damages which the Landlord may suffer or incur by reason of any default of the Tenant or failure on its part to comply with the covenants, terms or conditions of this Lease, and all other sums of money which by virtue of this Lease shall at any time or times become due and owing by Tenant to Landlord.
- (6) The words "lease year" shall mean the period of twelve (12) successive calendar months, with the first lease year beginning on the Rent Commencement Date and each succeeding lease year beginning immediately after the prior lease year on the anniversary of the Rent Commencement Date.
- (7) The term "Proportionate Share" as used in this Lease shall mean the percentage which results from dividing the square feet shown in Paragraph 1b by the total rentable enclosed floor areas as at the Property as of the first day of each calendar year. The initial Proportionate Share of Tenant is shown in Paragraph 1g. The parties acknowledge that the total rentable enclosed floor area in the Property may hereafter change, and in such event, the Proportionate Share shall be adjusted as provided for above.
- b. Abandonment of Fixtures. If Tenant moves out or is dispossessed and fails to remove any trade fixtures or any other property within thirty (30) days after said moving or dispossession then, in that event, Landlord may at its option deem the property abandoned by the Tenant, in which case, it shall become the property of the Landlord.

- c. Waiver. The failure of Landlord or Tenant to seek redress for violation of, or to insist upon the strict performance of, any provision of this Lease shall not be construed as a waiver or relinquishment for the future of such provision. The receipt by Landlord of rent with knowledge of a breach of any covenant of this Lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated or demanded by Landlord as required hereunder shall be deemed to be anything other than a dollar for dollar payment on account of the full obligation demanded by Landlord, nor shall Landlord's acceptance of such payment be deemed a waiver of Landlord's demand that a greater sum is due or of Landlord's right to recover the balance or pursue its other remedies. Tenant agrees that no endorsement or statement on any check nor any letter accompanying any check or payment of rent made by Tenant or on its behalf shall be deemed an accord and satisfaction or be in any way binding upon Landlord as to any expressed or implied condition or limitation on the payment, and Landlord, after accepting such payment, may pursue recovery of the balance of such rent or its other remedies. In the event of an Assignment, whether or not Landlord has consented to same, Landlord may collect rent from the Assignee and apply the net amount collected to the rent reserved in this Lease. Any such collection by Landlord shall not be deemed a waiver of any covenant in this Lease against Assignment, or the acceptance of the Assignee as the Tenant under this Lease, or a release of Tenant from the complete performance by Tenant of its covenants under this Lease.
- d. Entire Agreement. This Lease sets forth the full understanding between Landlord and Tenant concerning the Demised Premises. There are no oral agreements or understandings between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties with respect to the subject matters hereof, and none thereof shall be used to interpret or construe this Lease. Except as herein otherwise expressly provided, no subsequent alteration, amendment, change or addition to this Lease, nor any surrender of the term, shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.
- e. Lease Effective. The submission of this Lease by Landlord to Tenant for examination shall not be deemed to constitute an offer by Landlord or a reservation to Tenant of an option to lease, and this Lease shall become effective as a binding instrument only upon the execution and delivery thereof by both Landlord and Tenant.
- f. Partial Invalidity. If any provision of this Lease should be held by a court of competent jurisdiction to be void, invalid or unenforceable, the remainder of this Lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- g. Landlord's Rights of Entry. Landlord or its designees shall have the right to enter the Demised Premises during reasonable business hours for the purpose of examining the same, showing same to third parties or, in the event of emergency, in order that repairs and alterations may be made for the safety and preservation thereof, provided, however, that Landlord's right to enter upon said Demised Premises shall be subject to the exercise of ordinary care and caution in doing so. During the six (6) months next prior to the expiration of the term of this Lease, Landlord or its agents or representatives shall have the right to place a "For Rent" notice on the front of the Demised Premises, provided such sign is no larger than 6 square feet...
- h. No Liens by Tenant. Tenant shall not suffer or permit or cause any liens or any action to be filed against the Demised Premises by reason of any cause of Tenant or Tenant's agents or employees.
- i. Interpretation. The captions and headings throughout this Lease are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or the meaning of any provisions of, or the scope or intent of, this Lease, nor in any way affect this Lease.

All references to nouns and pronouns used herein shall be construed in the singular or plural and in such gender and tense as the sense of this Lease requires.

No provisions of this Lease shall be construed by any court or other judicial authority against either Landlord or Tenant by reason of any such party being deemed to have drafted or structured such provision.

The words "hereby", "herein", "hereof", "hereto", "hereunder", and similar words shall always be deemed to refer to this Lease in its entirety, and not merely to the subparagraph or paragraph wherein such words appears, unless expressly so modified.

- j. <u>Survival of Tenant's Obligations</u>. All obligations of Tenant which by their nature involve performance, in any particular, after the end of the term, or which cannot be ascertained to have been fully performed until after the end of the term, shall survive the expiration or sooner termination of the term.
- k. <u>Trial by Jury Waiver</u>. The parties hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord an Tenant, or Tenant's use and occupancy of the Demised Premises.
- l. <u>Acceptance of Possession</u>. The Tenant represents that it has thoroughly inspected the premises and its having taken possession of the Demised Premises shall be conclusive evidence that Tenant accepts same "as is" and that said premises, equipment, and the building of which the Demised Premises forms a part were in good order and satisfactory condition at the time such possession was so taken.
- m. <u>Successors and Assigns</u>. This Lease shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, representatives, successors, and to the extent that this Lease is assignable by the terms hereof, to the assigns of such parties.
- n. <u>Joint and Several Liability</u>. If Tenant is composed of more than one signatory to this Lease, each signatory as Tenant will be jointly and severally liable with each other signatory for payment and performance of all obligations of Tenant under this Lease.
- o. Authority. If Tenant signs this Lease as a corporation, partnership or limited partnership, each of the persons executing this Lease on behalf of Tenant warrants to Landlord that Tenant is a duly authorized and existing corporation, partnership or limited partnership, as the case may be, that Tenant is qualified to do business in the state in which the Premises are located, that Tenant has full right and authority to enter into this Lease, and that each and every person signing on behalf of Tenant is authorized to do so, and that signing binds the Tenant to the terms of this Lease.
- p. <u>Recording</u>. Tenant shall not record this Lease or any Memorandum of this Lease. Any such recording by Tenant shall be a material breach of this Lease.
- q. Governing Law. This Lease, the construction thereof and the rights and liabilities of the parties thereunder, shall be governed by the law of New Jersey. All parties hereto submit to the personal jurisdiction of the New Jersey courts with regard to any action which will be filed in connection with this Lease or the subject matter thereof.

The parties hereto have hereunto set their hands and seals the day and year first above written.

LANDLORD: AUSTIN & AUSTIN COMPANY

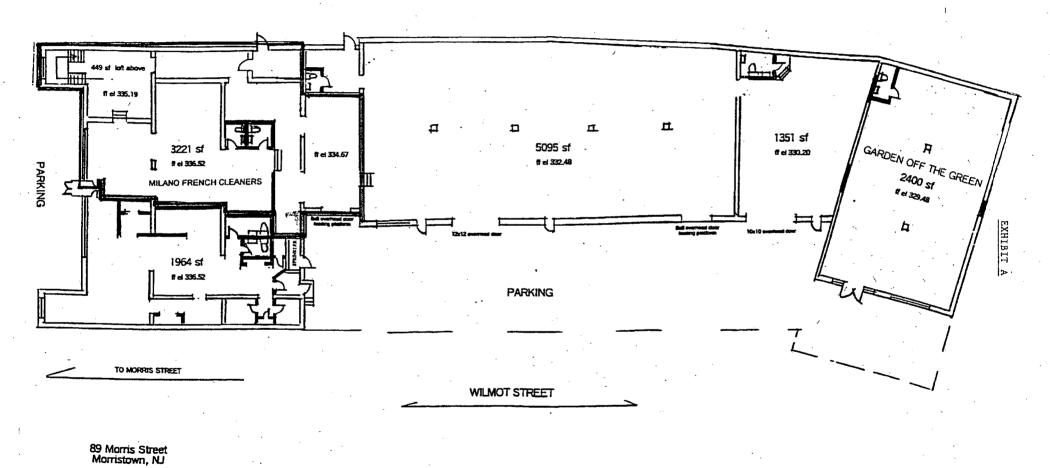
By: PETER AUSTIN,

Partner

WILLIAM AUSTIN, Pa

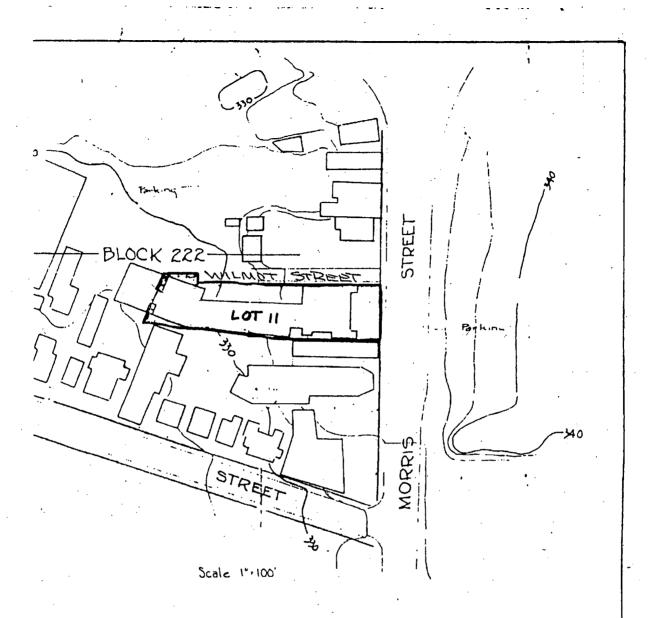
Partner

TENANT:



NO SCALE

AUSTIN & AUSTIN CO. PO BOX 29 MORRIS PLAINS, NJ 07950 MUNICIPAL PARKING LOT



**GUARANTY OF LEASE** 

LANDLORD:

**AUSTIN & AUSTIN** 

TENANT:

MILANO FRENCH CLEANERS

**GUARANTOR:** 

VITO MEGHNAGI

**DEMISED PREMISES:** 

89 Morris Street, Morristown, New Jersey

Tenant (as identified above) wishes to enter into a lease with Landlord (as identified above). Guarantor (as identified above and having the address shown below) is an officer, director and shareholder in Tenant and acknowledges that Tenant's entry into a lease with Landlord for the Demised Premises is in Guarantor's economic interest. Landlord is unwilling to enter into a lease with Tenant for the Demised Premises unless Guarantor assures Landlord of the full performance of all Tenant's obligations under the lease. Guarantor is willing to do so.

Accordingly, in order to induce Landlord to enter into the lease with Tenant and for good and valuable consideration, the receipt and adequacy of which are acknowledged by Guarantor:

- 1. Subject to the limitation set forth in Paragraph 7 below, Guarantor unconditionally guarantees to Landlord, and the successors and assigns of Landlord, Tenant's full and punctual performance of all of Tenant's obligations under that certain Commercial Lease of even date herewith between Landlord and Tenant for the Demised Premises (the "Lease"), including, without limitation, the payment of rent and other charges due under the Lease. Guarantor waives notice of any breach or default by Tenant under the Lease. If Tenant defaults in the performance of any of its obligations under the Lease, upon Landlord's demand, Guarantor will perform Tenant's obligations under the Lease.
- 2. Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or thing relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to Guarantor and without affecting the obligations of Guarantor under this Guaranty.
- 3. The obligations of Guarantor under this Guaranty will not be affected by Landlord's receipt, application, or release of security given for the performance of Tenant's obligations under

the Lease, nor by any modification of the Lease, including without limitation the alteration, enlargement, or change of the premises described in the Lease, except that in case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.

- 4. The liability of Guarantor under this Guaranty will not be affected by:
- (a) the release or discharge of Tenant from its obligations under the Lease in any creditors', receivership, and bankruptcy, or other proceedings, or the commencement or pendency of any such proceedings;
- (b) the impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease, resulting from the operation of any present or future bankruptcy code or other statute, or from the decision in any court;
  - (c) the rejection or disaffirmance of the Lease in any such proceedings;
- (d) the assignment or transfer of the Lease or sublease of all or part of the premises described in the Lease by Tenant,
  - (e) any disability or other defense of Tenant; or
  - (f) the cessation from any cause whatsoever of the liability of Tenant under the Lease.
  - 5. Until all of Tenant's obligations under the Lease are fully performed, Guarantor:
- (a) waives any right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor under this Guaranty:
- (b) waives any other right that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligations of Guarantor under this Guaranty; and
- (c) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under the Lease
- 6. This Guaranty is a continuing guaranty and will apply to (i) the Lease; (ii) any extension or renewal of the Lease; (iii) any amendment or modification of any provision, term, covenant or obligation of the Lease, including without limitation, rent obligations, length of term and the premises subject to the Lease, and (iv) any holdover term following the term of the Lease, or any such extension or renewal.

- 7. Guarantor's obligation for continuingly accruing rent under the Lease shall cease at such time as the Tenant delivers possession of the Demised Premises to Landlord after an Event of Default by Tenant under the Lease. Guarantor shall remain liable for any unpaid rent accruing to the date Tenant so delivers possession to Landlord. Delivery of possession under this paragraph shall not, however, limit the liability of Guarantor for any other obligations of Tenant under the Lease, including, without limitation, waste, environmental obligations under Paragraph 16 of the Lease, and obligations under Paragraph 13 of the Lease.
- 8. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.
- 9. Guarantor is primarily obligated under the Lease. Landlord may, at its option, proceed against Guarantor without proceeding against Tenant or anyone else obligated under the Lease or against any security for any of Tenant's or Guarantor's obligations.
- 10. Guarantor will pay on demand the reasonable attorneys' fees and costs incurred by Landlord, or its successors and assigns, in connection with the enforcement of this Guaranty.
- 11. Guarantor irrevocably appoints Tenant as its agent for service of process related to this Guaranty

Guarantor has executed this Guaranty as of the 1st day of November, 1996.

**GUARANTOR:** 

VITO MEGHNAGI-

Having An Address At.

19 Badger Drive

Livingston, New Jersey

Form <b>1065</b>			U.S. Return of Partnership Income For calendar year 2005, or tax year beginning, 2005, and									-	0	MB No.1545	5-0099	
Depar Intern	tment of al Reven	the Treasury ue Service				ng See separate			<b>-</b> •				٠	200	5	
A F	rincipal	business activity		Name of partne		oce separate	, mondet	0113.	<del>"</del>			<del></del>	) Emp	lover identi		
			Use the	PETER S	AND V	WILLIAM E	ÁUSTI	N, PT	R				D Employer identification number			
REN	ITAL	REALTY	IRS label.	PETER S	ER S AND WILLIAM E AUSTIN, PTR ER S AUSTIN, GEN PTR									59-2266760		
		product or service	Other-	Number, street,	and room (	or suite number. If	a P.O. box,	see the ins	structions.				E Date business started			
REN			wise, print	P.O. BOX 9047								0	3/24	1/82		
		code number	or type.	City or town					State ZIP cod	_		F	Tota	assets (see	e instrs)	
	100		<u> </u>	MORRISTO					NJ 079				\$	. 65	9,655	
		applicable boxes	, , , <del>,</del>	Initial return	(2)	Final return			ange (4)	_		-	(5)	Amended	i return	
		accounting meth	-		(2)		(3)	Other (	specify)	<b>-</b> .			<u>-</u>		· 	
Caut	on: In	of Schedules K clude only trade	or busines	s income and	expense	es on lines la	through 2	time at	uring the tax you	ear		· · · · · ·		<del></del>		
		· · · · · · · · · · · · · · · · · · ·		o meenie ana	CAPCIISC	3 on mes to	trii Ougii Zi	2 DEIUW	. See the mst	uctio	)ris ro	or more	e intori	mation.		
	1	a Gross receipts	or sales					.   1	a				<u>.</u>			
		<b>b</b> Less returns a										1				
N	ł			•					<del></del>			<del></del>	+-			
CO	2	Cost of goods	sold (Sched	dule A, line 8)	1			· · · · · · ·		. <b></b>		. 2				
M	3	Gross profit. S	Subtract line	2 from line 1	c <sub>.</sub> .		.,,,.					. 3				
E	4	Ordinary incor	ne (loss) fro	om other parti	nerships,	, estates, and	trusts		•			-{				
	_								, ••••••••							
	5	Net farm profit	i (loss) (atta	ach Schedule	F (Form	1040))		• • • • • •		;		. 5				
	6	Net gain (loss)		14/9/, Part II	, line 17	(attach Form	4/9/)	· · • · · · ·	• • • • • • • • • • • • • • • • • • • •	. · · · ·		6	├-			
	7	Other income (attach schedu	(loss) (le)									_				
	1.	(Bitaer) Serieue						· · · · · · · ·		• • • •		7	<del> </del>			
	8	Total Income (	(loss). Com	bine lines 3 th	nrough 7							8				
S	1					······································				····	••••	+-	+	· · · · · · · · · · · · · · · · · · ·		
S E E	9	Salaries and w	ages (other	r than to partr	ners) (les	ss employmen	t credits)					. 9	1			
. 1	10	Guaranteed pa	yments to p	partners			· · · · · · · · · · · · · · · · · · ·			<i>.</i>	<b>.</b>	. 10				
NSTRUCT DE	111	Repairs and m	aintenance					·		<i>.</i> .	<i>.</i>	. 11				
R	12		• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • •	• • • • • • • •	• • • • • • • • • • • • • • • • •	•		,		· · · · ·	12				
DEDUC	13	Rent				• • • • • • • • • • • • • • • •			• • • • • • • • • • • • • • • • • • • •			. 13				
Di	, ,,,,	Taxes and licer	nses		• • • • • • • •			• • • • • • •	• • • • • • • • • • • • • • • • • • • •	• • • •			<del> </del>			
	16a	Depreciation (ii	f required a	attach Form A	5621			126-		•••	• • • • •	15	<u> </u>		<u> </u>	
TF		Less depreciati										16c	<u> </u>		٠	
O R		Depletion (Do n										17	<del> </del>			
S L	18	Retirement plan	ns, etc									18		<del></del>	<del></del>	
M	19	Employee bene	fit program:	s								19	<del>                                     </del>			
T A T	20	Other deduction	าร										<u> </u>		<del></del>	
- 1		(attach stateme	ent)									20				
O N S	1	•														
	21	Total deduction	s. Add the	amounts show	wn in the	far right colu	nn for line	s 9 thro	ough 20		<u></u>	21				
		<u>.</u>														
	22	Ordinary busine	ess income	(loss). Subtra	act line 2	1 from line 8	<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u> </u>		<u>.</u>	22				
ign		belief, it is true, which preparer h	correct, and co	ompiete. Deciarati	examined to on of prep	this return, includi arer (other than g	ing accompa eneral partn	nying sch er or limi	edules and statem ted liability compa	ents, ny m	and to ember)	the bes	t of my d on all	knowledge informatio	and n of	
lere		<b>•</b>							<b>•</b>		1	May th	e IRS di	scuss this re	eturn	
		Signature of	general partner	or limited liability	company	member			Date			with th (see in	e prepar	rer shown be	elow	
		1		.,,			Date				T <sub>P</sub>	eparer's		X Yes	No	
امند		Preparer's signature							Check if self-	· [	,					
aid repa	rer's	Firm's name	HALL	AND HOLD	EN. F	C.			employed	╁	1 P	0021	055]			
se O		(or yours if self-employed).		X 1427						٦,,		- 02	024	0000		

05673

(802) 496-3140

-	THE TOOS (2003) FETER S AND WILLIAM E AUSTIN, PIR PETER S AUSTIN, GEN PTR 59	-226676(	)	Page :
S	chedule A Cost of Goods Sold (see the instructions)		· · · · · · · · · · · · · · · · · · ·	X
	1 Inventory at beginning of year	1	<del></del>	
	2 Purchases less cost of items withdrawn for personal use	2		
	Cost of labor	3		
	4 Additional section 263A costs			
	(attach statement)	4		
ļ	5. Other costs			
	(attach statement)	5		
(	5 Total. Add lines 1 through 5	6		
. :	7 Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		
. 9	a Check all methods used for valuing closing inventory:	<u> </u>		
	(i) Cost as described in Regulations section 1.471-3			
	(ii) Lower of cost or market as described in Regulations section 1.471-4		_	
	(iii) ☐ Other (specify method used and attach explanation)			
	b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c)		· F	T
	c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 9	<i>7(</i> 1)	``` ▶  -	1
	d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?	Г	I Vec	No.
	e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?	····	Yes	No
	If 'Yes', attach explanation		1 163 L	, NO
S	chedule B Other Information		-	
1	What type of entity is filing this return? Check the applicable box:		Yes	TNo
	a X Domestic general partnership b Domestic limited partnership	•	0-0	No
	c Domestic limited liability company d Domestic limited liability partnership		93 X	
	e Foreign partnership f Other			
2			83.3	
;	During the partnership's tay year, did the partnership own any interest in another partnership as in any facility	***		X
	was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? instructions for required attachment	4		
_	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under			<u>X</u>
	6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more	section tetails		x
. 5			57.43	<del>  ^</del>
	a The partnership's total receipts for the tax year were less than \$250,000;			1.00
	<b>b</b> The partnership's total assets at the end of the tax year were less than \$600,000; and			100
	c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extens	ions)		
	for the partnership return.			
	If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; Item N on Schedule K-1	or ¯	S. Sales	iran iran
6	Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 an		X	-
7		• • • • • • • • • • • • •		X
8	to the parties only a parties only as defined in section 403(k)(2):			X
٥	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?			
9	At any time during calendar year 2005, did the partnership have an interest in as a signature as all the same and the same as a signature as		···-	X
	a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filling requirements for Form TD F 90-22.1. If 'Yes,' enter the name of	VOI		
	the foreign country.		•	
				X
10		eign trust?		
	The partitions that they have to the Form 3520. See the instructions			х
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during if 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statemed under Flections Made Put the Partnership in the latest and the section 754 by attaching the statemed under Flections Made Put the Partnership in the latest and the section 754 by attaching the statemed under Flections Made Put the Partnership in the section 754 by attaching the statemed under Flections Made Put the Partnership in the section 754 by attaching the statemed under Flections Made Put the Partnership in the section 754 by attaching the research 155 by attaching the section 755 by attaching the research 155 by attaching the section 755 by attaching th	the tax year? nt	1	
12	described didder Elections wade by the Partnership in the instructions			Х
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return		3, 3	
Des	signation of Tax Matters Partner (see the instructions)	· · · · · · · · · · · · · · · · · · ·	13 / 3	77.0/
-c: Foto	or below the general partner designated as the terrestitute as the formations			
	er below the general partner designated as the tax matters partner (TMP) for the tax year of this return:			
	ne of Identifying			
lesi	gnated TMP ► number of TMP ►	<b>〈</b>	·	
	ess of			
lesi	gnated TMP	<del></del>		

Schedu	Ile K Partners' Distributive Share Items		60 Page 3 Total amount
	1 Ordinary business income (loss) (page 1, line 22)	1 1	TOTAL AINQUIST
	2 Net rental real estate income (loss) (attach Form 8825)	2	156 400
	3a Other gross rental income (loss)	\$ 74.5 MILES	156,492.
	b Expenses from other rental activities (attach stmt)		
	c Other net rental income (loss). Subtract line 3b from line 3a	2002	
	4 Guaranteed payments	3c	
	5 Interest income	4	36,000.
Income	6 Dividends: a Ordinary dividends	5	52.
(Loss)	h Ovelified dividends		
	b Qualified dividends		•
	7 Royalties 8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	7	
,	93 Net long-term capital gain (loss) (attach Schedule D. (Form 1065))	8	·
	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))  b Collectibles (28%) gain (loss)  9b	9 <b>a</b>	<del></del>
	c Unrecaptured section 1250 gain (attach statement) 9c		
	10. Not costion 1221 pain (loss) (ottoch (form 4207)		
	10 Net section 1231 gain (loss) (attach Form 4797)		
	11 Other income (loss) (see instructions) Type	11	
	12 Section 179 deduction (attach Form 4562)		
Deduc-	13a Contributions		
tions	b Investment interest expense		
	c Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►	13c (2)	
	d Other deductions (see instructions) Type	13d	
Self-	14a Net earnings (loss) from self-employment		36,000.
Employ- ment	b Gross farming or fishing income	14b	
ment	c Gross nonfarm income	14c	
	15 a Low-income housing credit (section 42(j)(5))	15a	
Credits	<b>b</b> Low-income housing credit (other)	15b	
& Credit	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Recap-	d Other rental real estate credits (see instructions) ∴ Type ►	15d	
ture	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits and credit recapture (see instructions) Type ▶	15f	
	16a Name of country or U.S. possession >		
	<b>b</b> Gross income from all sources	. 16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
Faustum	d Passive ►e Listed categories (attach statement) ►f General limitation ►		
Foreign Trans-	Deductions allocated and apportioned at partner level	STATE OF STATE	
actions	g Interest expense h Other	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
		16k	;
	I Total foreign taxes (check one): ► Paid Accrued	161	
	mReduction in taxes available for credit (attach statement)	16m	
	,	And there is a	AMERICAN POLICE DE LA SULVENIO
	n Other foreign tax information (attach statement)  17a Post-1986 depreciation adjustment		
A 11 4 ii	b Adjusted gain or loss	. 17a . 17b	-231.
Alternative Minimum	c Depletion (other than oil and gas)	17c	<del></del>
Tax	d Oil, gas, and geothermal properties – gross income		<u> </u>
(AMT) Items	e Oil, gas, and geothermal properties — deductions		
HEIII3	f Other AMT items (attach stmt)		
	18a Tax-exempt interest income	18a	
	b Other tax-exempt income		<del> </del>
Other	C Nondeductible expenses		879.
Infor- mation	19a Distributions of cash and marketable securities	19a	72,000.
	b Distributions of other property	19b	12,000.
	20 a Investment income	20 a	F2
	b Investment expenses	20 b	52.
	c Other items and amounts (attach stmt)		
DAA	C Other Rems and amounts (attach sum)	1 2 40,49,80	
BAA			Form 1065 (2005)

	·				
3 4	Guaranteed pmts (other than health insurance)  Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):  a Depreciation \$	36,000.	7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):  a Depreciation \$	
5	b Travel and entertainment \$ 879. Add lines 1 through 4	879. 192,544.	8 9	Add lines 6 and 7 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	192,544.
<u> 5c</u>	hedule M-2 Analysis of Partners' C	apital Accounts			
1	Balance at beginning of year	436,280.	6	Distributions: a Cash b Property	72,000.
	<b>b</b> Property		7	Other decreases (itemize):	
3	Net income (loss) per books	155,665.			
4	Other increases (itemize):				
_ 5	Add lines 1 through 4	591,945.	8 9	Add lines 6 and 7	72,000.
			_ <u>~</u>	Tribe at your. Subtract time o from time 5	<u>519</u> ,945.

### Form **8825**

Department of the Treasury Internal Revenue Service

## Rental Real Estate Income and Expenses of a Partnership or an S Corporation

➤ See instructions. ➤ Attach to Form 1065, Form 1065-B, or Form 1120S. OMB No. 1545-1186

2005

PE'I	ER S AND WILLIAM E AUSTIN				1 '	-2266760	* ==
1	Show the kind and location of each prope	rty. Se	e page 2 to list additional	properties.	· · · · · · · · · · · · · · · · · · ·		
A	COMMERCIAL PROPERTY, NEW	JERS	SEY				
В							
С							
D							
		1	·	Prop	erties	····	
	Rental Real Estate Income		A	B 8	C		D
				,	İ		
2	Gross rents	2	306,731.				
	Rental Real Estate Expenses					7	
3	Advertising	. 3		····	<u> </u>		
4	Auto and travel	4	463.	:	ļ		
5	Cleaning and maintenance	5 6			<del> </del>		
7	Insurance	7	5,893.				
8	Legal and other professional fees	8	13,497.		<del></del>	<del></del>	· · · · · · · · · · · · · · · · · · ·
9	Interest						
10	Repairs						
11	Taxes						
12	Utilities						
13	Wages and salaries				ļ		
14	Depreciation (see instructions)	14	18,948.				····
15	Other (list) - Telephone		1,128.				
-	Office Supplies	15	848.	<del></del>	ļ	<u>_</u>	
-	Guaranteed Payments to Par		36,000.				
		,-					
16	Total expenses for each property. Add lines 3 through 15	16	150,239.				
17	Total gross rents. Add gross rents from li		columns A through H			17	306,731
18	Total expenses. Add total expenses from						-150,239
19	Net gain (loss) from Form 4797, Part II, I estate activities	ine 17	, from the disposition of pr	operty from rental re	eal	19	
20	a Net income (loss) from rental real estate partnership or S corporation is a partner	activit	ies from partnerships, esta	ates, and trusts in wi	nich this	20 a	
•	b Identify below the partnerships, estates, Attach a schedule if more space is neede	or trus	•			110 (20 1) 12 (20 1) 13 (20 1) 13 (20 1)	
	(1) Name		(2) Employer identifi	cation number			
-							
21	Net rental real estate income (loss). Com	nbine li	ines 17 through 20a. Enter	the result here and	on:	21	156,492
	<ul> <li>Form 1065 or 1120S: Schedule K, line</li> <li>Form 1065-B: Part I, line 4</li> </ul>	e 2, or		·			
	Far Danamusk Reduction Act Notice 5				· · · · · · · · · · · · · · · · · · ·		Form 9825 (2005

SPSZ0101 11/10/05

### Form **4562**

(Rev January 2006)

Department of the Treasury Internal Revenue Service Name(s) shown on return

PETER S AND WILLIAM E AUSTIN, PTR

## Depreciation and Amortization (Including Information on Listed Property)

► See separate instructions. ► Attach to your tax return.

OMB No. 1545-0172

2005

itachment

identifying number
59-2266760

For	m 8825 COMMERCIAL	L PROPERTY,	NEW JERSEY					•
	t   Election To Exp	ense Certain P	Property Under Sectomplete Part V before y	tion 179	4 /			
1	Maximum amount. See the						<del>, ,</del>	\$105,000.
2	Total cost of section 179 pr		•				2	9103,000.
3	Threshold cost of section 1						3	\$420,000.
4	Reduction in limitation. Sub						4	V420,000.
5	Dollar limitation for tax yea separately, see instructions	r. Subtract line 4 fr	rom line 1. If zero or less	s, enter -0-, If ma	arried filing	1	5	
6		Description of property		(b) Cost (business		(C) Elected cost		NEW THERE
7	Listed property. Enter the a							
8	Total elected cost of sectio		• •				8	
9	Tentative deduction. Enter						9	
10	Carryover of disallowed de-		•	•			10	
11	Business income limitation							
12	Section 179 expense deduc						12	
13	Carryover of disallowed de				13	<del></del>		[[] [[] [] [] [] [] [] [] [] [] [] [] []
	: Do not use Part II or Part							
	t II Special Depreci						(See	instructions.)
14	Special allowance for certa Liberty or GO Zone propert	ain aircraft, certain ly (other than listed	property with a long pro I property) placed in ser	vice during the ta	ına qualifie ax vear (se	ea inew York ee instrs)	14	
15	Property subject to section			-		•	15	
16	Other depreciation (includi	ng ACRS)			<u> </u>		16	0.
Par	t III MACRS Depre	ciation (Do not in	clude listed property.) (S	See instructions)				
			Sectio	пА				
17.	MACRS deductions for ass	ets placed in servi	ce in tax years beginning	g before 2005			17	18,747.
18.	If you are electing to group	any assets placed	t in service during the ta	x year into one o	or more ge	neral 💄 🗖	(1) (4)	
<u> </u>	asset accounts, check here		in Service During 2005				_	
	(a)	(b) Month and	(C) Basis for depreciation	(d)	(e)	(f)	3y310	(g) Depreciation
	Classification of property	year placed in service	(business/investment use only — see instructions)	Recovery period	Convention			deduction
192	3-year property							
_	5-year property	the first of the party of the p					<u> </u>	
	7-year property	7677						
	1 10-year property	■大名はななどはど物がしょと		<del></del>				
	20-year property							
	20-year property			· · · · · · · · · · · · · · · · · · ·	<del> </del>			
	25-year property	· "对对" , 为 ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) (		25 yrs		S/L		
ı	Residential rental			27.5 yrs	MM	S/L		
	property	<del></del>		27.5 yrs	MM	S/L		
i	Nonresidential real	07/05	11,435.	39 yrs	MM	S/L		134.
	property	<u>:                                    </u>			MM	S/L		<u> </u>
		– Assets Placed in	Service During 2005 T	ax Year Using the	e Alternat			item
	Class life	THE PROPERTY OF SOME PROPERTY OF THE PARTY O			<del> </del>	S/L		<u> </u>
	12-year	1		12 yrs	100	S/L		<del> </del>
	40-year		<u> </u>	40 yrs	MM	s/L		
	t IV   Summary (see in					<del></del>	01 T	
21	Listed property. Enter amo	ount from line 28	10 and 00 in ant (c)	ad line 01 Future have			21	67.
	Total. Add amounts from line 12 the appropriate lines of your retu	irn, Partnersnips and S	corporations — see instruction	ıs	and on		22	18,948.
23	For assets shown above a the portion of the basis at	nd placed in service tribulable to section	e during the current year 263A costs	r, enter	23		- }	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b,

	соіи	mns (a) tnrougn (c)	of Section A,	all of Se	ction B, a	ana Se	ction C I	т аррі	icabie.						
	Se	ction A — Deprecia	ation and Other	er Inform	ation (Ca	ution:	See the	instru	ictions fo	r limits f	or passen	ger aut	omobiles	.)	
24	a Do you have e	vidence to support the bi	usiness/investme	nt use clain	ned?		X Yes		No 24b	If 'Yes,' is	the evidence	written?	<u>5</u>	Yes	No
T	(a) ype of property (I vehicles first)	(b) Date placed in service	(C) Business/ investment use percentage	Cos other	t or	(busin	(e) for depreciess/invest use only)		(f) Recove period		(g) Method/ onvention	Dep	(h) reciation duction	sec	(i) lected tion 179 cost
25		ince for certain aircraft, o d in service during the t													
26	Property us	sed more than 50%	in a qualified	business	use:										
CE	LL PHONE	11/01/03	100.00		170.			85.	7.0	0 20	ODB/HY		15		
HP	PRINTER	05/17/04	100.00		212.		2	12.	7.00	20	ODB/HY		52		
			ļ											T	
27	Property us	ed 50% or less in a	qualified bus	ness use	: .	·									
<del></del> -			1											2 62	Care y
			<del> </del>											724.0	
			<del> </del>			<u> </u>		1						1.7.5	
20	Add amaiin	s in column (h), lin	os 25 through	27 Ento	r boro an	d on lie	20 21 0	200 1			20		67	-	e argin r
28														•	
29	Add amount	s in column (i), line	26. Enter ne							• • • • • • • •	<u> </u>	· · · · · · · ·	29		
		ction for vehicles us s, first answer the o		proprietor		or oth	er 'more	than	5% own						icles
to ye	our employee	s, mst answer the t	fuezuouz III 2					T		<del></del>					
30	Total husine	ess/investment mile	s driven		(a)	-	<b>b</b> )	١	(c)	1	(d)		e)		(f)
•	during the y	ear (do not include miles)		Veh	icle 1	Veh	icle 2	<u></u>	ehicle 3	Vel	hicle 4	Vehi	icle 5	Vehi	icle 6
31	Total commutin	ng miles driven during th	ne year												
32		personal (noncomm							,						
33 Total miles driven during the year. Add lines 30 through 32															
			* *	Yes	No	Yes	No	Ye	s No	Yes	No	Yes	No	Yes	No
34		nicle available for pouty hours?										. "			
35	Was the veh	nicle used primarily ner or related perso	by a more on?												
36		ehicle available for									,				
		Section (	C - Question	s for Emp	loyers W	/ho Pro	vide Ve	hicles	for Use	by Their	r Employe	es		-	
Answ 5% o	er these que	stions to determine ated persons (see in	if you meet a	n excepti	on to cor	npletin	g Sectio	n B fo	r vehicle	s used b	y employ	ees who	are not	more t	han
	Do you main	tain a written policy	statement th	at prohib	its all per	sonal u	use of ve	ehicle:	s, includii	ng comn	nuting,			Yes	No
		loyees?								• • • • • • •	• • • • • • • •	• • • • • • •			
38	Do you main employees?	tain a written policy See the instructions	statement the store statement of the sta	at prohibi used by o	its persor corporate	nal use officer	of vehic s, direct	cles, e tors, o	except cou or 1% or r	mmuting nore ow	, by your ners	,			
39	Do you treat	all use of vehicles	by employees	as perso	nal use?								[		
40	Do you provi	de more than five v	ehicles to you	r employ	ees, obta	in infor	mation	from y	your emp	loyees a	bout the i	use of th	ne		
41	Do you meet	the requirements of answer to 37, 38, 3	oncerning qua	alified aut	omobile	demon	stration	use?	(See inst	ructions)					
Parl		rtization	,, , , ,			,,,,,,,,				J			<u>f:</u>		
rail	T VI I AIIIO					T	<u> </u>		<del></del>	(4)		-> 1			
	(	(a) Description of costs		Date am	b) ortization gins	,	(C) Amortizabl àmount	e		(d) Code ection	Amor	e) ization od or entage		(f) nortization r this year	
42	Amortization	of costs that begin	s during your	2005 tax	year (se	e instru	ctions):		<u>.                                    </u>						
						<u> </u>				<del></del>		-			· · ·
43	Amortization	of costs that bega	n before your	2005 tax	year							43			0.
44		mounts in column (	-		-							44			0.
<del></del>			, ====			0012 12					F.	<del></del>	2 (2005)	(Day)	2000

Form 1065, Schedule M-1, Line 4 Sch M-1, Line 4 LIFE INSURANCE PREMIUMS 879. 879. Total Form 1065, Schedule L, Line 20

Other Liabilities

End of Beginning of Other Liabilities: tax year tax year Security Deposits 41,180. 37,848. Total 37,848. 41,180.

Ь	5	1	ŀ	0	_

			2005		Final K-1		Amended	K-1	OMB No. 1545-009
	chedule K-1 orm 1065)	_	2005		Part III				urrent Year Income,
•			alendar year 2005, or tax	-	Ta			_	and Other Items
Dep	partment of the Treasury year be rnal Revenue Service		ng, 2005	1	Ordinary t	usiness in	come (loss)	15	Credits & credit recapture
P:	artner's Share of Incom			2	Net rental re	al estate inco	me (loss)	†-	
		-	•	<u> </u>	<u> </u>	·	78,246		
	redits, etc.	Se	separate instructions.	_ 3	Other net	rental inco	me (loss)	16	Foreign transactions
	Part I Information About	ıt t	he Partnership	4	Guarantee	d noumoni	-	+-	<del></del>
	Partnership's employer identifica	ion	number	┨"	Guarantee	u paymen	36,000.		
Ĺ	59-22667 <u>6</u> 0			5	Interest inc	ome		Ή-	
В	Partnership's name, address, city			L			26	↓_	
l	PETER S AND WILLIAM		· .	6a	Ordinary d	lividends		1	
İ	PETER S AUSTIN, GEN P.O. BOX 9047	PT	R ·	-	Qualified o			+-	<del> </del>
	MORRISTOWN, NJ 07963	_ 9	047	0.0	Qualified o	iviaenas			
C				7	Royalties		****	†-	†
	CINCINNATI, OH							⊥_	
P			• • •	8	Net short-terr	m capital gair	ı (łoss)		
F	Tax shelter registration numb Check if Form 8271 is attached		f any	+-	Alsa I 1			<u> </u>	All
	Check in Form 8277 is attached	·u		9a	Net long-te	erm capitai	gain (ioss)	17 A	Alternative minimum tax (AMT) items
	Part II	+ +1	ne Partner	96	Collectible	s (28%) ga	in (loss)	┼^-	
╚			ie Partilei			- (/-) 5-		L	1
G	Partner's identifying number 141-24-0205	Pa	artner Number 1	<sup>1</sup> 9c	Unrecaptur	red section	1250 gain		
н	Partner's name, address, city, sta	te, a	and ZIP code	10	Net section	1231 gair	(loss)	18	Tax-exempt income and
	PETER S AUSTIN 2051 SWAINSON'S RUN					· · · · · · · · · · · · · · · · · · ·			nondeductible expenses
•	NAPLES, FL 33942			111	Other incor	me (loss)		C_	439.
			_	<b></b> -	<del> </del>			ł	·
-	X General partner or LLC member-manager		Limited partner or other LLC member	1				<b>  -</b> -	
	X Domestic partner	Г	Foreign partner						
•	By Domestic partner	<u>_</u>	Troteigh partner	12	Section 17	) dad		19	Distributions
K	What type of entity is this partner?	I	NDIVIDUAL	'2	Section 179	equetion a	1	A	36,000.
	Partner's share of profit, loss, and		.:	13	Other dedu	ctions			•
-	Beginning	cap	Ending					20	Other information
	Profit 50.00000	윰	50.00000 %						
	Loss 50.0000	g	50.00000 %	11			<u> </u>	A -	26.
	<u>Capital</u> 50.00000	8	50.00000 %						
М	Partner's share of liabilities at yea	- 00	d:	14	Self-employ	ment earn	inas (loss)		
•••	Nonrecourse		·	A			36,000.		
	Qualified nonrecourse financing		· ————————————————————————————————————						
	Recourse			ليا				٠, ا	
				, ₹Se	e attache	d staten	nent for a	dditi	onal information.
	Partner's capital account analysis: Beginning capital account		¢ 210 740	F		•			
	Capital contributed during the year		·	R					
	Current year increase (decrease)			R		•			
	Withdrawals and distributions			U					
	Ending capital account		· · · · · · · · · · · · · · · · · · ·	Š					j
	© Touris □ Occio			0					
	X Tax basis GAAP Other (explain)		Section 704(b) book	Ñ L Y		•			
	1 Tottlet (exhiairt)								

Schedule K-1 (Form 1065) 2005

Schedule K-1 (Form 1065) 2005 PETER S AUSTIN 59-2266760 P
This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

your i	ncome tax return.	•		Code	Enter on
1	Ordinary business income (loss). You must first di	etermine whether the income		J Work apportunity credit	Form 5884, line 3
	(loss) is passive or nonpassive. Then enter on your			K Welfare to work credit	Form 8861, line 3
	•	Enter on		L Disabled access credit	Form 8826, line 7
	Passive loss	See the Partner's Instructions		M Empowerment zone and renewal	Form 6020, fine /
	Passive income	Schedule E. line 28, column (g)		community employment credit	Form 8844, line 3
•	Nonpassive loss	Schedule E, line 28, column (h)		N Credit for increasing research activities	Form 6765, line 42
	Nonpassive income	Schedule E, line 28, column (j)		O New markets credit	Form 8874, line 2
2	Net rental real estate income (loss)	See the Partner's Instructions	•	P Credit for employer social security	Tom do v, line 2
3	Other net rental income (loss)			and Medicare taxes	Form 8846, line 5
	Net income	Schedule E, line 28, column (g)		Q Backup withholding	Form 1040, line 64
	Net loss	See the Partner's Instructions		R Recapture of low-income housing	
4	Guaranteed payments	Schedule E, line 28, column (j)		credit (section 42(j)(5))	Form 8611, line 8,
_	Interest income	Form 1040, line 8a		S Recapture of low-income housing credit (other)	Form 8611, line 8
	Ordinary dividends	*		T Recapture of investment credit	See Form 4255
	•	Form 1040, line 9a		U Other credits	<del></del>
_	Qualified dividends	Form 1040, line 9b			See the Partner's Instructions
7	Royalties	Schedule E, line 4	16	V Recapture of other credits	See the Partner's Instructions
8	Net short-term capital gain (loss)	Schedule D, line 5, column (f)	16	Foreign transactions	•
	Net long-term capital gain (loss)	Schedule D, line 12, column (f)		A Name of country or U.S. possession	Form 1116, Part I
9 b	Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)		B Gross income from all sources	Form 1116, Part I
0-			,	C Gross income sourced at	Form 1116 Da. 41
	Unrecaptured section 1250 gain	See the Partner's Instructions		partner level	Form 1116, Part I
10	Net section 1231 gain (loss)	See the Partner's Instructions		Foreign gross income sourced at	· ·
11	Other income (loss)			D Passive	Form 1116, Part I
	Code			E Listed categories	Form 1116, Part I
	A Other portfolio income (loss)	See the Partner's Instructions		F General limitation	Form 1116, Part I
	B Involuntary conversions	See the Partner's Instructions		Deductions allocated and apport	•
	C .Section 1256 contracts and straddles	Form 6781, line 1		G Interest expense	Form 1116, Part I
	D Mining exploration costs recapture	See Pub 535		H Other	Form 1116, Part I
	E Cancellation of debt	Form 1040, line 21 or Form 982		Deductions allocated and apport	ioned at partnership level to
	F Other income (loss)	See the Partner's Instructions		foreign source income	
12	Section 179 deduction	See the Partner's Instructions		Passive	Form 1116, Part I
13	Other deductions	_		J Listed categories	Form 1116, Part I
	A Cash contributions (50%)			K General limitation	Form 1116, Part !
	B Cash contributions (30%)		•	Other information	
	C Noncash contributions (50%)			L Total foreign taxes paid	Form 1116, Part II
	D Noncash contributions (30%)	See the Partner's		M Total foreign taxes accrued	Form 1116, Part II
		Instructions		N Reduction in taxes available for credit	Form 1116, line 12
	E Capital gain property to a 50% organization (30%)			O Foreign trading gross receipts	Form 8873
	F Capital gain property (20%)			P Extraterritorial income exclusion	Form 8873
	G 'Cash contributions (100%)	!		Q Other foreign transactions	See the Partner's Instructions
	H Investment interest expense	Form 4952, line 1	17	Alternative minimum tax (AMT) items	
	Deductions — royalty income	Schedule E, line 18		A Post-1986 depreciation adjustment	7
	J Section 59(e)(2) expenditures	See Partner's Instructions		B Adjusted gain or loss	
	K Deductions portfolio (2% floor)	Schedule A, line 22		C Depletion (other than oil & gas)	See the Partner's
	L Deductions — portfolio (other)	Schedule A, line 27		D Oil, gas, & geothermal properties - g	ross income Instructions and the instructions for
	M Amounts paid for medical	Schedule A, line 1 or		E Oil, gas, & geothermal properties - d	UNE MISUBERIORS TO
	insurance	Form 1040, line 29	* '	F Other AMT items	FOIII 6231
	N Educational assistance benefits	See the Partner's Instructions	18		Voeneses.
	O Dependent care benefits	Form 2441, line 12		A Tax-exempt interest income	Form 1040, line 8b
	P. Preproductive period expenses	See the Partner's Instructions		B Other tax-exempt income	See the Partner's Instructions
	Commercial revitalization deduction from				
	rental real estate activities	See Form 8582 Instructions	. 10	C Nondeductible expenses	See the Partner's Instructions
	R Pensions and IRAs	See the Partner's Instructions	19		Con the Destruction
	S Reforestation expense deduction	See the Partner's Instructions		A Cash and marketable securities	See the Partner's Instructions
	T Domestic production activities information	See Form 8903 Instructions	0.0	B Other property	See the Partner's Instructions
	U Qualified production activities income	Form 8903, line 7	20		5 mm 4050 has 5
	V Employer's W-2 wages	Form 8903, line 13		A Investment income	Form 4952, line 4a
	W Other deductions	See the Partner's Instructions		B Investment expenses	Form 4952, line 5
14	Self-employment earnings (loss)			C Fuel tax credit information  D Look-back interest — completed	Form 4136
Note.	If you have a section 179 deduction or any partner- er's Instructions before completing Schedule SE.	ievei deductions, see the		long-term contracts	See Form 8697
1 0101	A Net earnings (loss) from	_		E Look-back interest — income	C F 9055
	self-employment	Schedule SE, Section A or B		forecast method	See Form 8866
	B Gross farming or fishing income	See the Partner's Instructions		F Dispositions of property with section 179 deductions	٦ '
	C Gross non-farm income	See the Partner's Instructions		G Recapture of section 179 deductions	
15	Credits and credit recapture			H Special basis adjustments	·
		E 0506 1 1		Section 453(I)(3) information	
	A Low-income housing credit (section 42(j)(5))	Form 8586, line 4	•		,
	B Low-income housing credit (other)	Form 8586, line 4		J Section 453A(c) information	
	C Qualified rehabilitation expenditures	Form 3468, line 1		K Section 1260(b) information	See the Partner's Instructions
	(rental real estate)  D Qualified rehabilitation expenditures	, om and, and i		<ul> <li>Interest allocable to production expenditures</li> </ul>	inso octions
	Other than rental real estate)	Form 3468, line 1		M CCF nonqualified withdrawals	1
	E Basis of energy property	See the Partner's Instructions		N Information needed to figure	
-	F Other rental real estate credits	See the Partner's Instructions		depletion — oil and gas	
	G Other rental credits	See the Partner's Instructions		O Amortization of Reforestation costs	· ·
	H Undistributed capital gains credit	Form 1040, line 70; check box a		P Unrelated business taxable income	
	Credit for alcohol used as fuel	See the Partner's Instructions		Q Other information	PTPA0312 01/04/0
	- magnine diameter and an ine.	-			Schedule K-1 (Form 1065) 200

PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PT	R 59-2266760	· · · · · · · · · · · · · · · · · · ·
Schedule K-1 (PETER S AUSTIN), Supplemental Information Supplemental Information		
``		
INTEREST PAID TO PARTNER ON NOTE	6,254.	

~								
			$\Box$	Final K-1	٠ ٢	Amended I	K.1	451105
	hedule K-1 rm 1065) For calendar year 20	2005 05, or tak		art III	Partner Deduct	's Share o	f Cu	omb No. 1545-0099  Irrent Year Income, and Other Items
epa Iterr	ortment of the Treasury year beginning nal Revenue Service ending		1	Ordinary				Credits & credit recapture
	rtner's Share of Income, Deducti	ons,	2	Net rental r	eal estate inco	me (loss) 78,246.		
_			3	Other net rental income (loss)				Foreign transactions
_	Part 1: Information About the Partne Partnership's employer identification number	rsnip	4	Guarante	ed paymen	ts		
_	59-2266760 Partnership's name, address, city, state, and ZIP	code	5	Interest in	ncome	26.		
_	PETER S AND WILLIAM E AUSTIN, PETER S AUSTIN, GEN PTR		6a	Ordinary	dividends	20.		
	P.O. BOX 9047 MORRISTOWN, NJ 07963-9047		6b	Qualified	dividends		<b></b> -	
С	IRS Center where partnership filed return CINCINNATI, OH		7	Royalties				
D E	Check if this is a publicly traded partnership Tax shelter registration number, if any	(PTP)	8	Net short-te	erm capital gai	n (loss)		
F	Check if Form 8271 is attached		9a	Net long-	term capita	l gain (loss)	17 A	Alternative minimum tax (AMT) items -116.
P	Part II Information About the Partne	r	9Ъ	Collectibl	es (28%) ga	ain (loss)	- <b>-</b> -	
G	Partner's identifying number Partner Num 20-6076403	mber 2	9 c	Unrecapt	ured section	1250 gain		
Н	Partner's name, address, city, state, and ZIP cod WILLIAM AUSTIN TRUST	e	10	Net section	on 1231 gai	n (loss)	18	Tax-exempt income and nondeductible expenses
	149M AIRPORT ROAD WAITSFIELD, VT 05673		11	Other inc	ome (loss)		<u>c_</u>	440.
ŀ	X General partner or LLC Limited partner or LLC mem	artner or other ber			<b></b>			
J	X Domestic partner Foreign p	art∩er					19	Distributions
K	What type of entity is this partner? TRUST		12	Section 1	79 deductio	n	<u>A</u>	36,000.
L	Partner's share of profit, loss, and capital:  Beginning	Ending	13	Other dec	ductions		20	Other information
		0.00000 %					A	36
		0.00000 %					<u> </u>	26.
_		50.00000 %	14	Salfama	laumont oor	nings (loss)		
'n	Partner's share of liabilities at year end:  Nonrecourse							
	Qualified nonrecourse financing \$	50,931.			*			
	Recourse \$	18,924.	*0	ae attacl	and state	mont for a	44i+	ional information.
<u> </u>	Partner's capital account analysis:			se allaci	ieu state	ment for a	aan	ional information,
•	Beginning capital account\$	218,142.	OR					·
	Capital contributed during the year \$		Ĺ					
	Current year increase (decrease) \$		R S	i	4	-		•
	Withdrawals and distributions \$	36,000.	U S	ŕ	•			1
	Ending capital account \$	259,974.	Ĕ					

Section 704(b) book

GAAP

X Tax basis

Other (explain)

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code **Ordinary business income (loss).** You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows: J Work opportunity credit Form 5884, line 3 Form 8861, line 3 K Welfare-to-work credit Enter on Form 8826, line 7 Disabled access credit See the Partner's Instructions Passive loss Empowerment zone and renewal community employment credit Passive income Schedule E, line 28, column (g) Form 8844, line 3 Nonpassive loss Schedule E. line 28, column (h) Credit for increasing research activities Form 6765, line 42 Schedule E, line 28, column (j) Nonpassive income New markets credit Form 8874, line 2 Not rental real estate income (loss) See the Partner's Instructions Credit for employer social security and Medicare taxes Form 8846, line 5 Other net rental income (loss) Backup withholding Form 1040, line 64 Net income Schedule E, line 28, column (g) Recapture of low-income housing credit (section 42(j)(5)) R See the Partner's Instructions Net loss Form 8611, line 8 **Guaranteed payments** Schedule E; line 28, column (j) S Recapture of low-income housing credit (other) Form 8611, line 8 Form 1040, line 8a Interest income Recapture of investment credit See Form 4255 6 a Ordinary dividends Form 1040, line 9a U Other credits See the Partner's Instructions 6 b Qualified dividends Form 1040, line 9b V Recapture of other credits See the Partner's Instructions Schedule E, line 4 Royalties Foreign transactions 8 Not short-term capital gain (loss) Schedule D, fine 5, column (f) Form 1116, Part I A Name of country or U.S. possession 9 a Net long-term capital gain (loss) Schedule D. line 12, column (f) 9 b Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions) Form 1116, Part I Gross income from all sources Gross income sourced at partner level 9 C Unrecaptured section 1250 gain See the Partner's instructions Form 1116, Part 1 Foreign gross income sourced at partnership level Net section 1231 gain (loss) See the Partner's Instructions D. Passive Form 1116, Part I 11 Other income (loss) E Listed categories Code Form 1116, Part 1 General limitation Form 1116, Part I A Other portfolio income (loss) See the Partner's Instructions Deductions allocated and apportioned at partnership level **B** Involuntary conversions See the Partner's Instructions Section 1256 contracts and straddles Form 6781, line 1 G Interest expense Form 1116, Part I Form 1116, Part I See Pub 535 D Mining exploration costs recapture Deductions allocated and apportioned at partnership level to E Cancellation of debt Form 1040, line 21 or Form 982 foreign source income F Other income (loss) See the Partner's Instructions Passive Form 1116, Part I See the Partner's Instructions 12 Section 179 deduction J Listed categories Form 1116, Part I 13 Other deductions K General limitation Form 1116, Part I A Cash contributions (50%) Other information B Cash contributions (30%) Total foreign taxes paid Form 1116, Part II C Noncash contributions (50%) M Total foreign taxes accrued Form 1116, Part II See the Partner's Instructions D Noncash contributions (30%) N Reduction in taxes available for credit Form 1116, line 12 Capital gain property to a 50% organization (30%) E O Foreign trading gross receipts Form 8873 Capital gain property (20%) Extraterritorial income exclusion Form 8873 G Cash contributions (100%) Q Other foreign transactions See the Partner's Instructions н Investment interest expense Form 4952, line 1 17 Alternative minimum tax (AMT) items Deductions - royalty income Schedule E, line 18 A Post-1986 depreciation adjustment Section 59(e)(2) expenditures See Partner's Instructions B Adjusted gain or loss See the Partner's K Deductions -- portfolio (2% floor) Schedule A, line 22 Depletion (other than oil & gas) Instructions and Deductions - portfolio (other) Schedule A, line 27 Oil, gas, & geothermal properties - gross income the instructions for M Amounts paid for medical Schedule A, line 1 or Form 1040, line 29 Oil, gas, & geothermal properties - deductions Form 6251 insurance Other AMT items N Educational assistance benefits See the Partner's Instructions Tax-exempt income and nondeductible expenses Dependent care benefits Form 2441, line 12 A Tax-exempt interest income Form 1040, line 8b Preproductive period expenses See the Partner's Instructions Other tax-exempt income See the Partner's Instructions Commercial revitalization deduction from rental real estate activities C Nondeductible expenses See Form 8582 Instructions See the Partner's Instructions Distributions R Pensions and IRAs See the Partner's Instructions A Cash and marketable securities. See the Partner's Instructions S Reforestation expense deduction See the Partner's Instructions B Other property. See the Partner's Instructions T Domestic production activities information See Form 8903 Instructions Other information Qualified production activities income Form 8903, line 7 Investment income Form 4952, line 4a Form 8903, line 13 Employer's W-2 wages Investment expenses Form 4952 line 5 W Other deductions See the Partner's Instructions Fuel tax credit information Form 4136 14 Self-employment earnings (loss) Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. Look-back interest - completed long-term contracts See Form 8697 Look-back interest -A Net earnings (loss) from self-employment See Form 8866 Schedule SE, Section A or B forecast method Dispositions of property with section 179 deductions B Gross tarming or fishing income See the Partner's Instructions See the Partner's Instructions C Gross non-farm income Recapture of section 179 deductions 15 Credits and credit recapture Special basis adjustments Low-income housing credit (section 42(j)(5)) Form 8586, line 4 Section 453(f)(3) information Section 453A(c) information B Low-income housing credit (other) Form 8586, line 4 Section 1260(b) information Qualified rehabilitation expenditures See the Partner's (rental real estate) Form 3468, line 1 Interest allocable to production Qualified rehabilitation expenditures (other than rental real estate) Form 3468, line 1 CCF nonqualified withdrawals E Basis of energy property See the Partner's Instructions Information needed to figure N depletion - oil and gas Other rental real estate credits See the Partner's Instructions G Other rental credits See the Partner's Instructions Amortization of Reforestation costs Unrelated business taxable income H Undistributed capital gains credit Form 1040, line 70: check box a Q Other information PTPA0312 01/04/06 I Credit for alcohol used as fuel See the Partner's Instructions Schedule K-1 (Form 1065) 2005 JOTIBURUU

## Austin & Austin Company Balance Sheet

As of December 31, 2006

Dec 31, 06

	Dec 31, 06	•
ASSETS		
Current Assets		
Checking/Savings	•	
Bank of America - MM - 6053 Bank of America - CK - 6066		4,022.56
1000 Commerce Checking		14,451.69 1 000.05
Total Checking/Savings		1,999.05
	. •	20,473.30
Accounts Receivable 1010 · Accounts Receivable	-	73,381.66
Total Accounts Receivable	· · · · · · · · · · · · · · · · · · ·	73,381.66
Total Current Assets	<u> </u>	3,854.96
Fixed Assets		.,
Real Estate		•
Cost Basis 1970		
2020 · Land 2121 · Building	27,741.00	•
_ ,	64,325.00	_
Total Cost Basis 1970	92,066.0	0
Accumulated Depreciation 2023 · SL 25.0 yr	64 225 00	
•	-64,325.00	_
Total Accumulated Depreciation	-64,325.0	0
Improvements 1992 2041 · Cost	9 626 04	
2043 · Depreciation SL MM 31.5 yr	8,636.91 -3,661.00	
Total Improvements 1992	4,975,9	1
Tank Removal 1992		•
2045 · Cost	54,009.24	
2047 Depreciation SL MM 20.0 yr	-35,057.57	
Total Tank Removal 1992	18,951.6	7
HVAC/VIP Carrier 1994		
2049 · Cost	2,047.50	
2051 Depreciation SL MM 39.0 yr	-624.00	
Total HVAC/VIP Carrier 1994	1,423.50	)
Improvements 1995		
2053 · Cost	5,459.00	
2055 Depreciation 200DB HY 7.0 yr	-5,459.00	
Total Improvements 1995	, 0.00	)
Tank Removal 1995	•	
2057 · Cost 2059 · Depreciation SL MM 20.0 yr	1,981.00	
Total Tank Removal 1995	-1,277.00	
	704.00	
Roof 1996 2061 · Cost		
2063 · Depreciation SL MM 39.0 yr	6,700.00 -1,560.00	
Total Roof 1996	5,140.00	
Improvements 1998		
2065 · Cost	67,107.82	
2067 · Depreciation SL MM 39.0 yr	-11,115.00	
Total Improvements 1998	55,992.82	
Improvements 1999	•	
2069 · Cost	91,901.21	
2071 Depreciation SL MM 39.0 yr	-15,217.00	
Total Improvements 1999	. 76,684.21	
Improvements 2000	•	
· · · · · · · · · · · · · · · · · · ·		

(-19058) UNOSKLECT IBLE

### **Austin & Austin Company Balance Sheet**

As of December 31, 2006

	Dec 31, 06
2073 · Cost 2075 · Depreciation SL MM 39.0 yr	224,434.86 -24,698.00
Total Improvements 2000	199,736.86
Improvements 2001 2077 · Cost	139,049.76
2079 · Depreciation SL MM 39.0 yr	-15,300.00
Total Improvements 2001	123,749.76
Improvements 2002 2081 · Cost 2083 · Depreciation SL MM 39.0 yr	14,892.09 -1,353.00
Total Improvements 2002	13,539.09
Improvements 2003 2085 · Cost 2087 · Depreciation	32,877.31 -2,143.00
Total Improvements 2003	30,734.31
Improvements 2004	33,733
2088 · Cost 2089 · Depreciation	14,749.00 -520.00
Total Improvements 2004	14,229.00
Improvement 2005 2090 Cost	92,731.47
Total Improvement 2005	92,731.47
Roof 2005 2093 Cost 2092 Depreciation	11,435.00 -134.00
Total Roof 2005	11,301.00
Improvements 2006 Cost	89,565.23
Total Improvements 2006	89,565,23
Total Book Satata	
Total Real Estate  Total Fixed Assets	767,199.83 767,199.83
Other Assets	707,700.00
PSE&G Deposit Legal Fee - Refinance 1986	132.00
2104 Cost 2106 Amortization 19.0 yr	1,639.00 -1,634.00
Total Legal Fee - Refinance 1986	5.00
Office Equipment -Dell Computer-020221 2210Cost	<del>~1.297.44</del>
2212Depreciation	-1,140-00
Total Dell Computer 020221	157,44
Disc Drive 010414 2206 · Cost 2208 · Depreciation	216.14
Total Disc Drive 010414	-204.00 12.14
Cellphone 031101	12.14
2234 · Cost 2236 · Depreciation	169.58 -133.00
Total Celiphone 031101	36.58
Dell Computer 030707 2222 · Cost	1,073.78
	· · · · · · · · · · · · · · · · · · ·

### Austin & Austin Company Balance Sheet As of December 31, 2006

•	
	Dec 31, 06
2224 Depreciation	-919.00
Total Dell Computer 030707	154.78
HP Computer 060316 Cost	350.00
Total HP Computer 060316	350.00
Scanner 030910 2230 Cost 2232 Depreciation	188.87 -162.00
Total Scanner 030910	26.87
HP Printer 040517 2237 · Cost 2238 · Accumulated Depreciation	211.97 -82.00
Total HP Printer 040517	129.97
Digital Camera 021121 2214 Cost 2216 Depreciation	265.00 -207.00
Total Digital Camera 021121	58.00
Shredder 030524 2218 · Cost 2220 · Depreciation	111.81 -88.00
Total Shredder 030524	23.81
Fax 030826 2226 · Cost 2228 · Depreciation	70.48 -60.00
Total Fax 030826	10.48
Total Office Equipment	960.07
Signage 2108 · Cost 2110 · Depreciation	132.50 -233.00
Total Signage	-100.50
Total Other Assets	. 996.57
TOTAL ASSETS	862,051.36
LIABILITIES & EQUITY Liabilities	
Current Liabilities Accounts Payable 3000 · Accounts Payable	2,131.60
Total Accounts Payable	2,131.60
Other Current Liabilities 3002 · Rub-A-Dub Current Loan	1,787.50
Total Other Current Liabilities	1,787.50
Total Current Liabilities	3,919.10
Long Term Liabilities Loans Payable 3003 · Peter Austin Amortized Loan	149,417.20
Total Loans Payable	149,417.20
Mortgages Payable First Morris Bank 3507 · 6879004 3506 · 10084004	96,310.45
•	5,758.08

### 6:44 AM 01/28/07 Accrual Basis

# Austin & Austin Company Balance Sheet As of December 31, 2006

Dec 31, 06

	•
Total First Morris Bank	102,068.53
Total Mortgages Payable	102,068.53
Security Deposits Payable Kensington Amici Hair Design, LLC 3602 · New Image Cleaners 3605 · Elite Photographers 3608 · Cardio Care Fitness Center 3612 · Curves for Women 3614 · State Farm Insurance	5,120.00 4,368.00 7,488.97 4,266.66 5,620.56 3,648.00 4,402.67
Total Security Deposits Payable	34,914.86
Total Long Term Liabilities	286,400.59
Total Liabilities	290,319.69
Equity Capital Accounts Peter S. Austin 4002 Equity 4004 Drawing	215,627.83 -72,000.00
Total Peter S. Austin	143,627.83
William E. Austin Trust 4006 · Equity 4008 · Drawing	215,627.83 -72,000.00
Total William E. Austin Trust	143,627.83
Total Capital Accounts	287,255.66
4014 Retained Earnings Net Income	204,746.33 79,729.68
Total Equity	571,731.67
TOTAL LIABILITIES & EQUITY	862,051.36

## Austin & Austin Company UNAUDITO Profit & Loss

January through December 2005

.lan	- De	~ റട

Ordinary Income/Expense   Income		Jan - Dec 05
Income	Ordinary Income/Expense	
Interest Income   5002 - First Morris Bank   51.58   Total Interest Income   347,421.93   Expense   Administration   6002 - Management   36,000.00   6008 - Professional Fees   13,230.62   6008 - Telephone   1,153.16   6010 - Office Supplies & Expense   600.73   6012 - Postage   224.87   6014 - Bank Service Charge   22.00   6016 - Planning Board   266.00   6020 - Travel   462.90   Total Administration   51,960.28   Insurance   6802 - Property & Liability   5,893.00   6804 - Owners Life Insurance   6,772.00   Interest Expense   6108 - Peter Austin   6,523.67   Total Interest Expense   6108 - Peter Austin   6,523.67   Total Interest Expense   6024 - First Morris Bank   1,389.21   Total Maintenance & Repair   6602 - Company   2,457.98   6604 - Tenant   159.00   Total Maintenance & Repair   6024 - First Morris Bank   1,389.21   Total Mortgage Interest   6204 - First Morris Bank   1,389.21   Total Taxes   38,851.21   Total Taxes   38,851.21   Utilities   6402 - Water   6404 - Sewer   8,210.85   6406 - Electric   4060 - Electric   725.38   6406 - Electric   6406 - Electric   725.38   6408 - Gas   6410 - Fire Service   890.86   6412 - Trash Collection   2,089.50   Total Utilities   15,614.25   6756 - Depreciation Expense   142,675.60   Net Ordinary Income   Collection   Collect	· · · · · · · · · · · · · · · · · · ·	•
5002 · First Morris Bank         51.58           Total Income         347,421.93           Expense Administration         36,000.00           6002 · Management         36,000.00           6006 · Professional Fees         13,230.62           6001 · Office Supplies & Expense         600.73           6012 · Postage         224.87           6014 · Bank Service Charge         22.00           6015 · Planning Board         266.00           6020 · Travel         462.90           Total Administration         51,960.28           Insurance         6802 · Property & Liability         5,893.00           6804 · Owners Life Insurance         6,772.00           Interest Expense         6108 · Peter Austin         6,523.67           Total Insurance & Repair         6,523.67           Maintenance & Repair         6,523.67           Mortgage Interest Expense         6,523.67           Mortgage Interest         1,389.21           Total Mortgage Interest         1,389.21           Total Mortgage Interest         1,389.21           Total Taxes         38,851.21           Total Office Selectric         2,616.94           6404 · Sewer         8,210.85           6405 · Electric         725.38	5000 · Rent	347,370.35
Total Interest Income 347,421.93  Expense Administration 6002 Management 36,000.00 6008 Telephone 1,153.16 6010 Office Supplies & Expense 600.73 6012 Postage 224.87 6014 Bank Service Charge 22.00 6016 Planning Board 266.00 6020 Travel 462.90  Total Administration 51,960.28  Insurance 6802 Property & Liability 5,893.00 6804 Owners Life Insurance 6772.00  Interest Expense 6108 Peter Austin 6,523.67  Total Interest Expense 6502 Company 2,457.98 6604 Company 2,457.98 6604 Tenant 159.00  Total Maintenance & Repair 6602 Company 2,457.98 6604 Tenant 159.00  Total Mortgage Interest 6204 First Morris Bank 1,389.21  Total Mortgage Interest 38,851.21  Total Taxes 38,85		
Total Income   347,421,93		51.58
Expense     Administration     6002 · Management     6008 · Professional Fees     6008 · Telephone     6010 · Office Supplies & Expense     6011 · Office Supplies & Expense     6012 · Postage     6014 · Bank Service Charge     6016 · Planning Board     6020 · Travel     7014 Administration     7014 Administration     7014 Insurance     6802 · Property & Liability     6804 · Owners Life Insurance     7014 Insurance     7014 Insurance     7014 Insurance     7014 Insurance     7014 Peter Austin     7014 Interest Expense     6108 · Peter Austin     7014 Interest Expense     6108 · Peter Austin     7014 Interest Expense     6108 · Peter Austin     7014 Interest Expense     6108 · Peter Austin     7014 Interest Expense     6102 · Company     6604 · Tenant     7014 Insurance & Repair     6020 · Company     6040 · Tenant     7014 Insurance & Repair     7015 Insurance & Repair     7015 Insurance & Repair     7016 Insuranc	Total Interest Income	51.58
Administration 6002 · Management 6002 · Management 6008 · Professional Fees 6008 · Telephone 1,153,16 6010 · Office Supplies & Expense 600.73 6012 · Postage 224,87 6014 · Bank Service Charge 6016 · Planning Board 6020 · Travel  Total Administration  Total Administration  Total Insurance 6802 · Property & Liability 6804 · Owners Life Insurance 819 · Owners Life Insurance 6108 · Peter Austin 6018 · Peter Austin 6020 · Company 6604 · Tenant 6602 · Company 6604 · Tenant 7 total Maintenance & Repair 6602 · Company 6604 · Tenant 7 total Mortgage Interest 6204 · First Morris Bank 7 total Mortgage Interest 6204 · First Morris Bank 7 total Taxes 6302 · Property Tax 7 total Taxes 6302 · Property Tax 7 total Taxes 6404 · Sewer 6404 · Sewer 6406 · Electric Landlord Tenant 6406 · Electric Landlord Tenant 6406 · Electric 1 trant 6406 · Electric 1 condition 7 total Utilities 6412 · Trash Collection 7 total Utilities 642 · Gas 643 · Gas 6440 · Fire Service 6441 · Fire Service 6442 · Trash Collection 7 total Utilities 6456 · Depreciation Expense 7 total Expense 7 total Expense 7 total Expense 7 total Companse 7 total Expense	Total Income	347,421.93
6002 - Management		
6006 - Professional Fees 13,230.62 6008 - Telephone 1,153.16 6010 - Office Supplies & Expense 600.73 6012 - Postage 224.87 6014 - Bank Service Charge 220.0 6016 - Planning Board 266.00 6020 - Travel 462.90  Total Administration 51,960.28  Insurance 6802 - Property & Liability 5,893.00 6804 - Owners Life Insurance 879.00  Total Insurance 6,772.00  Interest Expense 6108 - Peter Austin 6,523.67  Total Interest Expense 6502 - Company 2,457.98 6604 - Tenant 159.00  Total Maintenance & Repair 6602 - Company 2,457.98 6604 - Tenant 159.00  Total Maintenance & Repair 3,389.21  Total Mortgage Interest 1,389.21  Total Mortgage Interest 1,389.21  Total Taxes 38,851.21		
6008 Telephone 1,153.16 6010 Office Supplies & Expense 600.73 6012 Postage 224.87 6014 Bank Service Charge 22.00 6016 Planning Board 266.00 6020 Travel 462.90  Total Administration 51,960.28  Insurance 6802 Property & Liability 5,893.00 6804 Owners Life Insurance 879.00  Total Insurance 6,772.00  Interest Expense 6108 Peter Austin 6,523.67  Total Interest Expense 6,523.67  Total Interest Expense 6,523.67  Maintenance & Repair 6602 Company 2,457.98 6604 Tenant 159.00  Total Maintenance & Repair 2,616.98  Mortgage Interest 6204 First Morris Bank 1,389.21  Taxes 6302 Property Tax 36,851.21  Total Taxes 38,851.21  Utilities 6402 Water 2,616.94 6404 Sewer 8,210.85 6406 Electric 1,261.95 6406 Electric 1,262.75  Total 6406 Electric 725.38 6408 Gas 1,080.72 6410 Fire Service 890.86 6412 Trash Collection 2,089.50  Total Utilities 15,614.25 6756 Depreciation Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense 7,000.85 Expense 7,000.8		•
6010 - Office Supplies & Expense 600.73 6012 - Postage 224.87 6014 - Bank Service Charge 22.00 6016 - Planning Board 266.00 6020 - Travel 462.90  Total Administration 51.960.28 Insurance 6802 - Property & Liability 5.893.00 6804 - Owners Life Insurance 6772.00  Interest Expense 6108 - Peter Austin 6,523.67  Total Interest Expense 6,523.67  Maintenance & Repair 6602 - Company 6604 - Tenant 159.00  Total Maintenance & Repair 2,616.98  Mortgage Interest 6204 - First Morris Bank 1,389.21  Total Mortgage Interest 1,389.21  Total Taxes 38.851.21  Total Taxes 38.851.21  Total Taxes 38.851.21  Total Taxes 2,616.94  6402 - Water 2,616.94  6404 - Sewer 8,210.85  6406 - Electric 1,080.72  Edwin Gas 1,080.72  6410 - Fire Service 890.86  6412 - Trash Collection 2,089.50  Total Utilities 15,614.25  6756 - Depreciation Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense 7,000.85 (20.00.85) (20.		
6012 - Postage         224.87           6014 - Bank Service Charge         22.00           6016 - Planning Board         266.00           6020 - Travel         462.90           Total Administration         51,960.28           Insurance         6802 - Property & Liability         5,893.00           6804 - Owners Life Insurance         879.00           Total Insurance         6,772.00           Interest Expense         6,523.67           Total Interest Expense         6,523.67           Maintenance & Repair         6602 - Company           6602 - Company         2,457.98           6604 - Tenant         159.00           Total Maintenance & Repair         2,616.98           Mortgage Interest         1,389.21           Total Mortgage Interest         1,389.21           Taxes         38,851.21           Total Taxes         38,851.21           Utilities         6402 - Water           6402 - Water         2,616.94           6404 - Sewer         8,210.85           6406 - Electric         20.85           Landlord         31.92           Tenant         956.21           6406 - Electric         75.38           6406 - Electric		nse 600.73
6016 - Planning Board 6020 · Travel 462.90  Total Administration 51,960.28  Insurance 6802 · Property & Liability 5,893.00 6804 · Owners Life Insurance 879.00  Total Insurance 6,772.00  Interest Expense 6108 · Peter Austin 6,523.67  Total Interest Expense 6602 · Company 2,457.98 6602 · Company 2,457.98 6604 · Tenant 159.00  Total Maintenance & Repair 2,616.98  Mortgage Interest 5,204 · First Morris Bank 1,389.21  Total Mortgage Interest 1,389.21  Total Mortgage Interest 3,8851.21  Total Taxes 38,851.21  Utilities 6402 · Water 2,616.94 6404 · Sewer 8,210.85 6406 · Electric 1,261.75  Total 6406 · Electric 725.38 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total 6406 · Electric - Other - 262.75  Total Expense 18,948.00  Total Expense 18,948.00  Other Income/Expense Other Expense Other Expense (Other (Oth	6012 · Postage	
Total Administration   51,960.28		22.00
Total Administration   51,960.28		
Insurance		462.90
6802 - Property & Liability 6804 - Owners Life Insurance  Total Insurance  6,772.00  Interest Expense 6108 - Peter Austin  Total Interest Expense 6108 - Peter Austin  Total Interest Expense 6108 - Peter Austin  Total Interest Expense 6108 - Peter Austin  Total Interest Expense 6108 - Peter Austin  Total Interest Expense 6502 - Company 6604 - Tenant 159.00  Total Maintenance & Repair 6602 - Company 6604 - Tenant 159.00  Total Maintenance & Repair 7,701 - Standard - France 7,702 - Standard - France 6,523.67  Total Maintenance & Repair 2,616.98  Mortgage Interest 6204 - First Morris Bank 1,389.21  Total Mortgage Interest 1,389.21  Total Taxes 38,851.21  Utilities 6402 - Water 6404 - Sewer 6406 - Electric Landlord 31.92 Tenant 956.21 6406 - Electric - Cother - 262.75  Total 6406 - Electric - 725.38 6408 - Gas 6410 - Fire Service 6410 - Fire Service 6412 - Trash Collection 725.38  1,080.72 890.86 6412 - Trash Collection 1,080.72 890.86 6412 - Trash Collection 1,080.72 890.86 6412 - Trash Collection 2,089.50  Total Utilities 15,614.25 6756 - Depreciation Expense 142,675.60  Net Ordinary Income 204,746.33	Total Administration	51,960.28
6804 · Owners Life Insurance         879.00           Total Insurance         6,772.00           Interest Expense         6,523.67           Total Interest Expense         6,523.67           Total Interest Expense         6,523.67           Maintenance & Repair         2,457.98           6602 · Company         2,457.98           6604 · Tenant         159.00           Total Maintenance & Repair         2,616.98           Mortgage Interest         1,389.21           Total Mortgage Interest         1,389.21           Total Mortgage Interest         1,389.21           Total Taxes         38,851.21           Utilities         6402 · Water         2,616.94           6404 · Sewer         8,210.85           6406 · Electric         31.92           Tenant         956.21           6406 · Electric · Other         -262.75           Total 6406 · Electric         725.38           6400 · Fire Service         890.86           6410 · Fire Service         890.86           6412 · Trash Collection         2,089.50           Total Utilities         15,614.25           6756 · Depreciation Expense         142,675.60           Net Ordinary Income         204,746.33		•
Total Insurance   6,772.00	6802 Property & Liability	,
Interest Expense 6108 · Peter Austin  Total Interest Expense 6602 · Company 6604 · Tenant  Total Maintenance & Repair 6204 · First Morris Bank  Total Mortgage Interest 6204 · First Morris Bank  Total Mortgage Interest 6302 · Property Tax  Taxes 6302 · Property Tax  Total Taxes 38,851.21  Total Taxes 38,851.21  Utilities 6402 · Water 6404 · Sewer 6406 · Electric Landlord Tenant 956.21 6406 · Electric · Other 6406 · Electric - Cother - Cot. 725.38 6408 · Gas 6410 · Fire Service 6411 · Fire Service 6412 · Trash Collection  Total Utilities  6756 · Depreciation Expense Other Expense Other Income/Expense Other Income/Expense Other Income/Expense Other Income/Expense Other Income/Expense		879.00
6108 · Peter Austin Total Interest Expense 6,523.67  Maintenance & Repair 6602 · Company 6604 · Tenant 159.00  Total Maintenance & Repair 6204 · First Morris Bank 1,389.21  Total Mortgage Interest 6204 · First Morris Bank 1,389.21  Total Mortgage Interest 6302 · Property Tax 38,851.21  Total Taxes 6302 · Property Tax 38,851.21  Utilities 6402 · Water 6404 · Sewer 6406 · Electric Landlord 31.92 Tenant 6406 · Electric Landlord 725.38 6408 · Gas 6410 · Fire Service 6412 · Trash Collection  Total Utilities  15,614.25 6756 · Depreciation Expense Other Income/Expense Other Income/Expense Other Income/Expense Other Income/Expense Other Income/Expense		6,772.00
Maintenance & Repair       6602 · Company       2,457.98         6604 · Tenant       159.00         Total Maintenance & Repair       2,616.98         Mortgage Interest       1,389.21         Total Mortgage Interest       1,389.21         Taxes       38,851.21         6302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       6402 · Water         6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric · Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Income/Expense         Other Income/Expense		6,523.67
6602 · Company 6604 · Tenant 159.00  Total Maintenance & Repair 2,616.98  Mortgage Interest 6204 · First Morris Bank 1,389.21  Total Mortgage Interest 1,389.21  Total Mortgage Interest 3,38,851.21  Total Taxes 38,851.21  Total Taxes 38,851.21  Utilities 6402 · Water 2,616.94 6404 · Sewer 8,210.85 6406 · Electric 1,21  Landlord 31.92 Tenant 956.21 6406 · Electric - Other 262.75  Total 6406 · Electric 725.38 6408 · Gas 1,080.72 6410 · Fire Service 890.86 6412 · Trash Collection 2,089.50  Total Utilities 15,614.25 6756 · Depreciation Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense 7000. Supposes	Total Interest Expense	6,523.67
6604 · Tenant       159.00         Total Maintenance & Repair       2,616.98         Mortgage Interest       1,389.21         Total Mortgage Interest       1,389.21         Taxes       6302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric - Other       956.21         6406 · Electric - Other       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Income/Expense	Maintenance & Repair	
6604 · Tenant       159.00         Total Maintenance & Repair       2,616.98         Mortgage Interest       1,389.21         Total Mortgage Interest       1,389.21         Taxes       6302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric - Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Income/Expense		2,457.98
Mortgage Interest       1,389.21         Total Mortgage Interest       1,389.21         Taxes       38,851.21         G302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric · Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense       204,746.33         Other Income/Expense       204,746.33	6604 Tenant	
6204 · First Morris Bank       1,389.21         Total Mortgage Interest       1,389.21         Taxes       38,851.21         6302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric - Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Expense	4	2,616.98
Taxes       6302 · Property Tax       38,851.21         Total Taxes       38,851.21         Utilities       6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric · Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense       204,746.33         Other Expense       200,850.00		1,389.21
Total Taxes   38,851.21	Total Mortgage Interest	1,389.21
Total Taxes 38,851.21  Utilities 6402 · Water 2,616.94 6404 · Sewer 8,210.85 6406 · Electric  Landlord 31.92 Tenant 956.21 6406 · Electric - Other -262.75  Total 6406 · Electric 725.38 6408 · Gas 1,080.72 6410 · Fire Service 890.86 6412 · Trash Collection 2,089.50  Total Utilities 15,614.25 6756 · Depreciation Expense 18,948.00  Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense		38.851.21
Utilities       6402 · Water       2,616.94         6404 · Sewer       8,210.85         6406 · Electric       31.92         Tenant       956.21         6406 · Electric · Other       -262.75         Total 6406 · Electric       725.38         6408 · Gas       1,080.72         6410 · Fire Service       890.86         6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Expense         7000 · Suppose	Total Taxes	The state of the s
6402 · Water 6404 · Sewer 6406 · Electric  Landlord 725.38 6406 · Electric  Comparison of the service of the se	Utilities	00,001.2 (
6404 · Sewer 6406 · Electric  Landlord 31.92 Tenant 956.21 6406 · Electric - Other  Total 6406 · Electric  6408 · Gas 6410 · Fire Service 6412 · Trash Collection  Total Utilities  Total Utilities  Total Utilities  Total Expense  Other Income/Expense  7000 · Supposes	•	2 616 94
6406 · Electric Landlord Tenant 956.21 6406 · Electric - Other  Total 6406 · Electric  6408 · Gas 6410 · Fire Service 6412 · Trash Collection  Total Utilities  15,614.25 6756 · Depreciation Expense  Total Expense  Other Income/Expense  7000 · Supposes	6404 · Sewer	
Tenant 956.21 6406 · Electric - Other -262.75  Total 6406 · Electric 725.38  6408 · Gas 1,080.72 6410 · Fire Service 890.86 6412 · Trash Collection 2,089.50  Total Utilities 15,614.25 6756 · Depreciation Expense 18,948.00  Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense		,
6406 · Electric · Other -262.75  Total 6406 · Electric 725.38  6408 · Gas 1,080.72  6410 · Fire Service 890.86  6412 · Trash Collection 2,089.50  Total Utilities 15,614.25  6756 · Depreciation Expense 18,948.00  Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense 7000 · Suppose 7		
Total 6406 · Electric 725.38  6408 · Gas 1,080.72  6410 · Fire Service 890.86  6412 · Trash Collection 2,089.50  Total Utilities 15,614.25  6756 · Depreciation Expense 18,948.00  Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense 7000 · Suppose 5		
6408 · Gas 6410 · Fire Service 6412 · Trash Collection  Total Utilities 15,614.25 6756 · Depreciation Expense 18,948.00  Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense		ter i san usi
6410 · Fire Service 890.86 6412 · Trash Collection 2,089.50  Total Utilities 15,614.25 6756 · Depreciation Expense 18,948.00 Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense 7000 · Suppose		
6412 · Trash Collection       2,089.50         Total Utilities       15,614.25         6756 · Depreciation Expense       18,948.00         Total Expense       142,675.60         Net Ordinary Income       204,746.33         Other Income/Expense         Other Expense		
6756 · Depreciation Expense 18,948.00 Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense	6412 · Trash Collection	
Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense	Total Utilities	15,614.25
Total Expense 142,675.60  Net Ordinary Income 204,746.33  Other Income/Expense Other Expense	6756 Depreciation Expense	18.948.00
Other Income/Expense Other Expense	Total Expense	the state of the s
Other Expense	Net Ordinary Income	204,746.33
Other Expense	Other Income/Expense	•
<b>7000 · Suspense</b> 0.00	Other Expense	
	7000 · Suspense	0.00

6:39 ÁM 01/28/07 Accrual Basis

## Austin & Austin Company Profit & Loss January through December 2005

Jan - Dec 05

Total Other Expense 0.00

Net Other Income 0.00

Net Income 204,746.33

### Austin & Austin Company

As of December 31, 2005

Dec 31, 05

	Dec 31, 05
ASSETS	
Current Assets	
Checking/Savings	•
1000 · Commerce Checking	-8,675.81
1003 FMB - Money Market	10,532.44
Total Checking/Savings	1,856.63
Accounts Receivable	1,000.00
1010 · Accounts Receivable	44.000
	44,336.64
Total Accounts Receivable	44,336.64
Total Current Assets	
	46,193.27
Fixed Assets	
Real Estate Cost Basis 1970	
2020 · Land	07.744.00
2121 Building	27,741.00
· - · · · · · · · · · · · · · · · · · ·	64,325.00
Total Cost Basis 1970	92,066.00
Accumulated Depreciation	
2023 · SL 25.0 yr	-64,325.00
Total Accumulated Depreciation	64 325 00
	-64,325.00
Improvements 1992 2041 · Cost	
2041 Cost 2043 Depreciation SL MM 31.5 yr	8,636.91
,	-3,661.00
Total Improvements 1992	4,975.91
Tank Removal 1992	
2045 · Cost	54,009.24
2047 · Depreciation SL MM 20.0 yr	-35,057.57
Total Tank Removal 1992	18,951.67
	10,931.07
HVAC/VIP Carrier 1994 2049 · Cost	
2051 Depreciation SL MM 39.0 yr	2,047.50
•	-624.00
Total HVAC/VIP Carrier 1994	1,423.50
Improvements 1995	,
2053 · Cost	5,459.00
2055 Depreciation 200DB HY 7.0 yr	-5,459.00
Total Improvements 1995	0.00
Tank Removal 1995	. 0.00
2057 Cost	
2059 Depreciation SL MM 20.0 yr	1,981.00
	-1,277.00
Total Tank Removal 1995	704.00
Roof 1996	
2061 Cost	6,700.00
2063 · Depreciation SL MM 39.0 yr	-1,560.00
Total Roof 1996	- · · · · · ·
	5,140.00
Improvements 1998	
2065 · Cost	67,107.82
2067 · Depreciation SL MM 39.0 yr	-11,115.00
Total Improvements 1998	55,992.82
Improvements 1999	•.
2069 · Cost	91,901.21
2071 Depreciation SL MM 39.0 yr	-15,217.00
Total Improvements 1999	the state of the s
	76,684.21
Improvements 2000	
2073 · Cost	224,434.86

(23813) UNCOLLECTIBLE

# Austin & Austin Company Balance Sheet As of December 31, 2005

	Dec 31, 05
2075 Depreciation SL MM 39.0 yr	-24,698.00
Total Improvements 2000	199,736.86
Improvements 2001 2077 Cost 2079 Depreciation SL MM 39.0 yr	139,049.76 -15,300.00
Total Improvements 2001	123,749.76
Improvements 2002 2081 · Cost 2083 · Depreciation SL MM 39.0 yr	14,892.09 -1,353.00
Total Improvements 2002	13,539.09
Improvements 2003 2085 - Cost 2087 - Depreciation	32,877.31 -2,143.00
Total Improvements 2003	30,734.31
Improvements 2004 2088 · Cost 2089 · Depreciation	14,749.00 -520.00
Total Improvements 2004	14,229.00
Improvement 2005 2090 · Cost	92,731.47
Total Improvement 2005	92,731.47
Roof 2005 2093 · Cost 2092 · Depreciation	11,435.00 -134.00
Total Roof 2005	11,301.00
Total Real Estate	677,634.60
Total Fixed Assets	677,634.60
Other Assets Legal Fee - Refinance 1986 2104 · Cost 2106 · Amortization 19.0 yr	1,639.00 -1,634.00
Total Legal Fee - Refinance 1986	5.00
Office Equipment Dell Computer 020221 2210 · Cost 2212 · Depreciation	1,297.44 -1,140.00
Total Dell Computer 020221	157.44
Disc Drive 010414 2206 · Cost 2208 · Depreciation	216.14 -204.00
Total Disc Drive 010414	12.14
Cellphone 031101 2234 · Cost 2236 · Depreciation	169.58 -133.00
Total Cellphone 031101	36.58
Dell Computer 030707 2222 · Cost 2224 · Depreciation	1,073.78 -919.00
Total Dell Computer 030707	154.78
Scanner 030910 2230 · Cost 2232 · Depreciation	188.87 -162.00

# Austin & Austin Company Balance Sheet As of December 31, 2005

	Dec 31, 05
Total Scanner 030910	26.87
HP Printer 040517 2237 · Cost 2238 · Accumulated Depreciation	211.97
Total HP Printer 040517	-82.00
Digital Camera 021121 2214 Cost 2216 Depreciation	129.97 265.00 -207.00
Total Digital Camera 021121	58.00
Shredder 030524 2218 · Cost 2220 · Depreciation	111.81 -88.00
Total Shredder 030524	23.81
Fax 030826 2226 Cost 2228 Depreciation	70.48 -60.00
Total Fax 030826	. 10.48
Total Office Equipment	610.07
Signage 2108 · Cost 2110 · Depreciation	132.50 -233.00
Total Signage	-100.50
Total Other Assets	514.57
TOTAL ASSETS	724,342.44
LIABILITIES & EQUITY Liabilities	
Current Liabilities Accounts Payable 3000 · Accounts Payable	20,630.38
Total Accounts Payable	20,630.38
Other Current Liabilities 3002 · Rub-A-Dub Current Loan 3001 · Peter Austin Current Loan	-690.00 - 4,729.10
<b>Total Other Current Liabilities</b>	4,039.10
Total Current Liabilities	24,669.48
Long Term Liabilities Loans Payable 3003 · Peter Austin Amortized Loan	85,513.08
Total Loans Payable	85,513.08
Mortgages Payable First Morris Bank 3506 · 10084004	
Total First Morris Bank	12,310.03 12,310.03
Total Mortgages Payable	• • •
Security Deposits Payable Amici Hair Design, LLC 3603 · KidFit USA 3602 · New Image Cleaners 3605 · Elite Photographers 3608 · Cardio Care Fitness Center 3612 · Curves for Women	12,310.03 4,368.00 4,053.00 7,488.97 4,266.66 5,620.56 3,648.00

6:45 AM 01/28/07 Accrual Basis

# Austin & Austin Company Balance Sheet As of December 31, 2005

	Dec 31, 05			
3614 · State Farm Insurance 3616 · Conroy's Florist Security Deposits Payable - Other	4,402.67 2,000.00 2,000.00			
Total Security Deposits Payable	37,847.86			
Total Long Term Liabilities	135,670.97			
Total Liabilities	160,340.45			
Equity Capital Accounts Peter S. Austin 4002 · Equity 4004 · Drawing	215,627.83 -36,000.00			
Total Peter S. Austin	179,627.83			
William E. Austin Trust 4006 · Equity 4008 · Drawing	215,627.83 -36,000.00			
Total William E. Austin Trust	179,627.83			

**Total Capital Accounts** 

**TOTAL LIABILITIES & EQUITY** 

Net Income

**Total Equity** 

359,255.66

204,746.33

.564,001.99

724,342.44



Form <b>1065</b>		U.S. Return of Partnership Income For calendar year 2004, or tax year beginning, 2004, and					OMB No.1545-0	099			
Depar Intern	Department of the Treasury Internal Revenue Service  ending , 20  See separate instructions.				2004						
RENTAL REALTY B Principal product or service RENTS Principal product or service Wiss			: (1) x od: (1) x -1. Attach o	Name of partners PETER S PETER S Number, street, a P. O. BOX City or town MORRISTON Initial return Cash ne for each personne and of	AND WILL AUSTIN, nd room or suite 9047  VN (2) Fina (2) Accerson who was	GEN PTR number, if a P.O.  ai return (3) crual (3) as a partner ai	STIN, PT  box, see instr  Name cl Other	State ZIP code  NJ 0796  nange (4) A  (specify)	3 - 904 dddress cha	inge (5) Amended r	instrs)
- NCOME	2 3 4 5 6 7	Gross profit. S Ordinary incor (attach schedu Net farm profit Net gain (loss) Other income (attach schedu	sold (Sched subtract line ne (loss) froule)	dule A, line 8) 2 from line 1com other partn	erships, esta (Form 1040 line 17	ites, and trust	<b>5</b>			3 4 5 6	
DEDUCT-ONS	9 10 11 12 13 14 15 16a b 17 18 19	Salaries and w Guaranteed pa Repairs and m Bad debts Rent Taxes and licer Interest Depreciation (ii) Less depreciati Depletion (Do n Retirement plan Employee bene Other deduction (attach stateme	ages (other yments to paintenance inses inses in required, a on reported ot deduct on s, etc if programs is nt)	than to partners artners	62) A and elsewheletion.)	ployment cred	16   16	a b		9 10 11	
			*					rough 20		21	· 
Sign Here		Under penalties of belief, it is true, which preparer h.  Signature of of Preparer's signature  Firm's name	f perjury, I dec correct, and co as any knowled leneral partner	clare that I have explete. Declaration (ge.	amined this ret n of preparer (o ompany membe	urn, including acc ther than general	ompanying sc partner or lim	hedules and stateme ited liability comparing the Date  Check if self-employed	ents, and to ny member)	the best of my knowledge are is based on all information  May the IRS discuss this retwith the preparer shown below (see instrs)?  X Yes  eparer's SSN or PTIN  00216551	of .
se O		(or yours if self-employed), address, and ZIP code		AND HOLDE X. 1427 FIELD	IV, PC		VT 05	673	EIN Phone as	(802) 496-314	

6 7 8 9a	Inventory at beginning of year  Purchases less cost of items withdrawn for personal use  Cost of labor  Additional section 263A costs (attach statement)  Other costs (attach statement)  Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2  Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	3 4 5 6 7			
3 4 5 6 7 8 9a	Purchases less cost of items withdrawn for personal use  Cost of labor  Additional section 263A costs (attach statement)  Other costs (attach statement)  Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2  Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	2 3 4 5 6 7			
4 5 6 7 8 9a	Additional section 263A costs (attach statement)  Other costs (attach statement)  Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	4 5 6 7			
6 7 8 9a	(attach statement) Other costs (attach statement) Total. Add lines 1 through 5 Inventory at end of year Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	5 6 7			
6 7 8 9a	Other costs (attach statement)  Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	5 6 7			
6 7 8 9a	(attach statement)  Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	6 7			
7 8 9a b	Total. Add lines 1 through 5 Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	6 7			
7 8 9a b	Inventory at end of year  Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2  Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3	7			
8 9 a b	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8			<del></del>
9a b	Check all methods used for valuing closing inventory:  (i) Cost as described in Regulations section 1.471-3				
b					
b					٠
b c	(ii) Lower of cost or market as described in Regulations section 1.471-4				
C	(iii) Other (specify method used and attach explanation)			·	<b></b>
	Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 9.		• • • • • • • • •		
d	Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?	/0)	·····	, <b>-</b>  -	١
e	Was there any change in determining quantities, cost, or valuations between opening and closing inventory?	· · · · · ·	Η <i>`</i> ,	res res	No No
	f 'Yes', attach explanation .	· · · · · ·	ப	ies [_	1 140
Sch	edule B Other Information				
1	What type of entity is filing this return? Check the applicable box:			Yes	No
а	X Domestic general partnership <b>b</b> Domestic limited partnership			3.0	F-200
С	Domestic limited liability company d Domestic limited liability partnership				
е	Foreign partnership f Other ►	· - <u></u> .			
3	Are any partners in this partnership also partnerships?  During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign er vas disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If	ntity th	at		х
	instructions for required attachment			[	х
,	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more discontinuous this partnership level tax treatment.	section etails	n 		х
	Does this partnership meet all three of the following requirements?			(2)	SA SA
	The partnership's total receipts for the tax year were less than \$250,000; The partnership's total assets at the end of the tax year were less than \$600,000; and			1.33	
	ichedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions)				
1	or the partnership return.	•		1	
•	'Yes,' the partnership is not required to complete Schedules L. M-1, and M-2; Item F on page 1 of Form 1065; of em N on Schedule K-1			x	
6 [	oes this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See instructions	<b>.</b>			Х
7 !	this partnership a publicly traded partnership as defined in section 469(k)(2)?				_X
8 H	as this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?t any time during calendar year 2004, did the partnership have an interest in or a signature or other authority ov	• • • • •			х
Š	financial account in a foreign country (such as a bank account, securities account, or other financial account)?  ee the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country.	er/er			x
10 D	uring the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a fore 'Yes,' the partnership may have to file Form 3520. See instructions	eign tri	ust?		<u>х</u>
11 V	as there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax yo 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statemen escribed in the instructions under <i>Elections Made By the Partnership</i>	_			
12 E	nter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached this return		• • • • • • • • •	TO MET W	X
	nation of Tax Matters Partner (see instructions)	····		<u> </u>	<del></del>
Enter b	elow the general partner designated as the tax matters partner (TMP) for the tax year of this return:				
Name o designa	f Identifying ted TMP ▶ Identifying number of TMP ▶			1.	
Address	of led TMP	<del></del>		·	

Scho	005 (2004) PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PTR	59-2266°	760 Page
Scrie	dule resignation Distributive Share Items		Total amount
	1 Ordinary business income (loss) (page 1, line 22)	. 1	•
	2 Net rental real estate income (loss) (attach Form 8825)	. 2	123,752
	3a Other gross rental income (loss)	100 44	100,732
	b Expenses from other rental activities (attach stmt) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	. 3.	
	4 Guaranteed payments	4	<del> </del>
	5 Interest income	5	
Income (Loss)	b Dividends: a Ordinary dividends	6a	39
(2033)	b Qualified dividends 6b	3021 54-389	MARKET, MINISTRALIA CO
	7 Noyalles		
	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		
	The Net long-term capital gain (loss) (attach Schedule D (Form 1065))	. 9a	
	b Collectibles (28%) gain (loss)		
	C Unrecaptured section 1250 gain (attach statement)	19.00	
1	10 Net section 1231 gain (loss) (attach Form 4797)	10	ľ
	11 Other income (loss) (attach statement)	10	
	12 Section 179 deduction (attach Form 4562)	10	
	13a Contributions	12	
Deduc-	b Deductions related to portfolio income (attach statement)	15a	<u> </u>
tions	c Investment interest expense	13b	
	d Section 59(e)(2) expenditures: (1) Type	13c	
	d Section 59(e)(2) expenditures: (1) Type • (2) Amount	13d (2)	
Self-	e Other deductions (attach statement)  14a Net earnings (loss) from self-employment	. 13e	
Employ-	b Gross farming or fishing income	. 14a	
ment	b Gross farming or fishing income	14b	
C dia-	c Gross nonfarm income  15a Low-income housing credit (section 42(j)(5))  b Low-income housing credit (section 42(j)(5))	. 14c	
	b Low-income housing credit (other)	15a	
Credits & Credit	t Cardiner reliabilitation expenditures (rental real estate) (attack Form 3400)		
Recap-	d Other rental real estate credits	15c	
ture	e Other credits	15d	
	1 This creats and creat recaptate ratiach statement		
	16a Name of country or U.S. possession	. 151	
	b Gross income from all sources		
	c Gross income sourced at partner level	16b	<u> </u>
	Foreign gross income sourced at partnership level		
F 1	d Passive > 6 Listed categories (attach at the man)		
Foreign Trans-	d Passive ►e Listed categories (attach statement) ►f General limitation ►  Deductions allocated and apportioned at partner level	161	
actions			
	g Interest expense h Other	16h	<u> </u>
	Deductions allocated and apportioned at partnership level to foreign source income  i Passive  i Listed categories (attach statement)		
	Kigeneral limitation	16k	
	(2) Accrued	1 201 400	
	mReduction in taxes available for credit (attach statement)	16m	
Alternative	1 1 2 1 300 depreciation adjustment	[ T	-239.
Minimum	b Adjusted gain of 1055	17b	
Гах	C Depletion (other than oil and gas)	17 c	
(AMT) tems	d Oil, gas, and geothermal properties — gross income	17d	
	e Oil, gas, and geothermal properties. — deductions  1 Other AMT items (attach start)	17e	
	1 Other AMT items (attach stmt)  18a Tax-exempt interest income	17f	
Other	b Other tax-exempt income	18a	
nfor-	c Nondeductible expenses		
nation	19a Distributions of cash and marketable securities	18c	879.
_ [	b Distributions of other property	19a	90,000.
	20 a Investment income	196	
	b Investment expenses	20 a	39.
-	b Investment expenses  C Other items and amounts (attach stmt)	206	
2 4 4	c Other items and amounts (attach stmt)		(14) [10] [10] [10] [10] [10] [10]

Form 1065 (2004)

-	, ARCE (OOOA) DEFEND OF NATE LAST			*** >=> >=					_
	m 1065 (2004) PETER S AND WI alysis of Net Income (Loss)	LLIAM.	E AUST	IN, PIR PE	TER S AUSTI	N, GEN	PTR 59-	226676	0 Page
	Net income (loss). Combine Schedu Schedule K, lines 12 through 13e, 10	le K, lines	1 throug	h 11. From the	result, subtract	the sum o	of ·	1	123,791
2	Analysis by partner type: (i) Corporate	(ii) Indiv (activ	ridual	(iii) Individ (passive	ual (iv) Pa	rtnership	(v) E	xempt nization	(vi) Nominee/Othe
	a General partners	61	1,895.						61,896
No	te: Schedules L, M-1 and M-2	are not	require	if Question	n 5 of Schedu	le B is	answered	'Yes '	
Sc	hedule Line Balance Sheets per E	ooks			of tax year		<u> </u>		tax year
	Assets			(a)	(b)		(c)		(d)
1	Cash		Terminal Profession	1/2/2010	4	181.			18,453
2	a Trade notes and accounts receivable		Testions and	mineral for the Proposition of Portraction to the constitution of the Pro-	The second of th	\$5655	harings believe to come being 20	4.99 6 200 2 Carlos 2 Carlos	\$ 550 TO \$ 500 TO STATE OF THE
	b Less allowance for bad debts				To grade the strategy of the strategy	etiletti vica i			a wall that he still him him
3				1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1		<b>9</b>	of Consumptions	的最佳性的	
4					· · · · · · · · · · · · · · · · · · ·				
5	U.S. government obligations Tax-exempt securities								
6				A SEAR SALE	<u> </u>				
7	Mortgage and real estate loans					<del></del>			
8									
_	a Buildings and other depreciable asse	ets	The second second	716 947		122		1 000	3.23.45 "Existence" - 135 -
	b Less accumulated depreciation			147 981	D.	966.			
10	a Depletable assets		`	147,501.			10	6,724.	565,184
	b Less accumulated depletion								and the second second
11	Land (net of any amortization)		STATE OF THE	<b>新來的問題達得為</b>	27	741	eros avecta	and the	
12:	a Intangible assets (amortizable only)		المتنادية الايه تنظوا	1 630		741.			27,741
	b Less accumulated amortization		·	1,548.		r		1,639.	
	Other assets (attach stmt)					91.	randicipality	1,634.	5
14					600	070			
•	Liabilities and Capital				800,	979.			611,383
15									
16	Mortgages, notes, bonds payable in less than 1		P						
17	Other current liabilities (attach stmt)	-	100					A SALE	7,188
18	All nonrecourse loans					<u> </u>			· · · · · · · · · · · · · · · · · · ·
19	Mortgages, notes, bonds payable in 1 year or n		1 1 1 1 2 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1		3.66	<del></del>			
20					166,				126,735
	Partners' capital accounts			144		522.			41,180
	Total liabilities and capital				403,			N. 19	436,280
Sch	nedule M-1 Reconciliation of	Income	(Loss)	per Books	600,	979.	100 / 100 May 100	验证证的	611,383
1	Net income (loss) per books	11001110	12	A A4A					
2	Income included on Schedule K, lines 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize)	1,			Income recordinctuded on Sci 11 (itemize): Tax-exempt interes	hedule K,	oks this year , lines 1 thro	not ough	eg tr
4	Guaranteed pmts (other than health insurance) Expenses recorded on books this year not included on Schedule K, lines 1 through 13e, 16l(1), and 16l(2) (itemize):	ted —		7	Deductions include 13e, 16l(1), and 16 income this year (i Depreciation .	l(2), not cha temize):	irged against b	ook	
	Depreciation \$ Travel and entertainment \$				• •				•

5	* STMT 879. Add lines 1 through 4	879. 123,791.	Add lines 6 and 7 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	123,791.
36	hedule M-2 Analysis of Partners' C	Capital Accounts		
1	Balance at beginning of year	403,368. 6	Distributions: a Cash	
_	b Property		b Property Other decreases (itemize):	
3	Net income (loss) per books	122,912.	Outer decreases (iteritize):	
4	Other increases (itemize):			
5	Add lines 1 through 4	526,280. <b>9</b>	Add lines 6 and 7	
		<u> </u>	bullands at end of year. Subtract line o from line 5	436,280.

Department of the Treasury Internal Revenue Service

### Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions.
► Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

2004

PE'	rer s and william e austin	, PTR			1	9 - 2266	5760			
	Show the kind and location of each prop			perties.						
	COMMERCIAL PROPERTY, NEW									
						·	· · · · · · · · · · · · · · · · · · ·			
В		<b>-</b>								
С										
D		-,								
Properties										
	Double Book Cataba ta anno				Y''		T			
	Rental Real Estate Income		Α	В	C		D			
_										
2	Gross rents	2	277,599.	i						
_	Rental Real Estate Expenses	_			,					
3	Advertising	3	366.							
4	Auto and travel	5	478.				ļ			
2	Commissions	6					<del>                                     </del>			
7	Insurance	7	6,110.							
8	Legal and other professional fees	8	5,434.	*						
9	Interest	9	9,135.				†			
10	Repairs	10	5,723.		·					
11	Taxes	11	47,853.							
12		12	17,467.	·						
13	Wages and salaries	13	,							
14	Depreciation (see instructions)	14	18,743.							
15	Other (list) Telephone		367.							
_	Office Supplies	!	1,081.							
_	Bookkeeping and Accountin	15	4,188.							
,	* STMT		36,902.							
16	Total expenses for each property.						1			
	Add lines 3 through 15	16	153,847.							
17	Total gross rents. Add gross rents from li	ne 2, d	columns A through H			17	277,599.			
18	Total expenses. Add total expenses from	line 1	6, columns A through H		• • • • • • • • • • • • • • • •	18	-153,847.			
19	Net gain (loss) from Form 4797, Part II, II estate activities	ne 17	, from the disposition of prop	perty from rental rea	al.	19				
20 a	Net income (loss) from rental real estate partnership or S corporation is a partner	activit or ben	ies from partnerships, estate eficiary (from Schedule K-1)	es, and trusts in wh	ich this					
b	Identify below the partnerships, estates, of Attach a schedule if more space is neede	or trust								
	(1) Name		(2) Employer identifica	ation number						
						<b>建筑</b>	•			
21	Met and and and and a second as									
21	Net rental real estate income (loss). Comi					357				
	• Form 1065 or 1120S: Schedule K, line	2, or	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	·····	21	123,752.			
	• Form 1065-B: Part I, line 4		· · · · · · · · · · · · · · · · · · ·	·						

#### Depreciation and Amortization

(Including Information on Listed Property)

► See separate instructions.

► Attach to your tax return.

2004

OMB No. 1545-0172

67

internal Revenue Service

Name(s) shown on return
PETER S AND WILLIAM E AUSTIN, PTR

Identifying number 59-2266760

Business or activity to which this form relates Form 8825 COMMERCIAL PROPERTY, NEW JERSEY Part | Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. Maximum amount. See instructions for a higher limit for certain businesses ..... \$102,000. 2 Threshold cost of section 179 property before reduction in limitation .... 3 \$410,000. Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-, If married filing separately, see instructions 6 (a) Description of property (b) Cost (business use only) (C) Elected cost Listed property. Enter the amount from line 29 ...... 8 Total elected cost of section 179 property, Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 ..... 9 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12 ....... Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part It Special Depreciation Allowance and Other Depreciation (Do not include listed property.) Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) ..... Property subject to section 168(f)(1) election (see instructions)... 15 16 Other depreciation (including ACRS) (see instructions) 0. Part III MACRS Depreciation (Do not include listed property.) (See instructions) Section A MACRS deductions for assets placed in service in tax years beginning before 2004 ..... 18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here . Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System (a) (C) Basis for depreciation (b) Month and (g) Depreciation Classification of property year placed in service (business/investment use Recovery period Convention deduction only - see instructions) 19a 3-year property **b** 5-year property c 7-year property d 10-year property e 15-year property f 20-year property g 25-year property 25 yrs S/L h Residential rental 27.5 yrs MM S/L property ...... 27.5 yrs MM S/L i Nonresidential real 08/04 14,749 39 yrs MM s/L 142. property . . . . . . . MM S/L Section C — Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System 20 a Class life ... 描述的知识的 S/L b 12-year 12 yrs S/L c 40-year ....... 40 yrs S/L Part IV Summary (see instructions) Listed property. Enter amount from line 28 ..... 21 51 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs **不知识**不不。

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

	Sect	tion A — Depre	iation and O	ther Infor	mation (C	aution	: See in	struc	tions	for limi	ts for pa	ssenge	er auton	nobiles.)		
24	a Do you have eviden	ce to support the bu	usiness/investm	ent use claim	ned?		X Yes		No	24b If 'Y	es,' is the	evidence	written?	х	Yes	No
Ţ	(a) ype of property (list vehicles first)	(b) Date placed in service	(C) Business/ investment use percentage	Cos other		(busin	(e) for deprect ess/investi use only)			(f) Recovery period	Met	g) thod/ ention	Dep	(h) reciation duction	Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).											12.13					
26	Property used r													***	<b>1</b> - 3	
CE	LL PHONE	11/01/03	100.00		170.			85.	Ĺ	7.00	2001	в/нү		21.		
HP	PRINTER	05/17/04	100.00		212.	ļ	2	12.		7.00	2000	в/нү		30.		
	<del></del>	<u> </u>	ll			<u> </u>			<u> </u>				<u></u>	_ · ·		
_27	Property used 5	0% or less in a	qualified bus	siness use	(see ins	truction	s):				···					
														<del></del>		
20	Add amounts in	solumn (b) lin	25 *b******	b 07 Eata		<u> </u>	- 01 -				<u> </u>	1		·		
28	Add amounts in Add amounts in											. 28		51.	3.0	4 10
	Add diriodins in	coldinii (i), iiric	Zo. Linter in		B – Info						<u></u>	• • • • • •		29	ــــــ	
Com	plete this section	for vehicles us	ed by a sole								or relat	od nord	on If w	au aravid	نما سمان	-1
to yo	our employees, fi	rst answer the o	uestions in S	Section C	to see if	ou me	et an ex	cepti	on to	comple	etina this	eu pers s sectio	n for th	ose vehic	eo veni Ies	cies
					(a)		b)	Ė	(c)		(d)			e)	(1	<u></u>
30	Total business/i during the year				icle 1		cle 2	<b>ا</b> ا	/ehic		Vehic			icle 5		cle 6
	miles - see ins	tructions)														0.00
31	Total commuting mi	les driven during th	e year				•									
32	Total other pers miles driven												-			
33	Total miles drive lines 30 through															
				Yes	No	Yes	No	Ye	s	No	Yes	No	Yes	No	Yes	No
34	Was the vehicle during off-duty h	available for penours?	ersonal use												7.55	
35	Was the vehicle than 5% owner	used primarily or related perso	by a more n?													
36	Is another vehic personal use?							,								
			- Question											<u> </u>		
Ansv 5% c	ver these question owners or related	ns to determine persons (see in	if you meet structions).	an excepti	ion to cor	npleting	Section 1	n B fo	or ve	ehicles L	sed by	employ	ees who	are not	more ti	nan
37	Do you maintain by your employe	a written policy	statement t	hat prohib	its all per	rsonal ι	use of ve	ehicle	s, in	cluding	commu	ting,			Yes	No
38	Do you maintain employees? See	a written policy	statement to	hat prohib	its persor	nal use	of vehic	les, e	exce	pt comm	nuting, b	y your				
39	Do you treat all t	use of vehicles	by employee	s as perso	nai use?	,,,,,,,								::::::		<del></del>
40	Do you provide n vehicles, and ret	nore than five v	ehicles to yo	ur employ	ees, obta	in infor	mation	from	your	employ	ees abo	ut the	use of t	he		
41	Do you meet the <b>Note:</b> If your ans	requirements c	oncerning qu	alified aut	omobile i	demons	stration Section	use? B for	(see	instruc	tions)	· · · · · · · · · · · · · · · · · · ·	• • • • • • • •		is (at the t	u projecti de la
	VI Amortiz			, -		,				557516U	70111C18	· · · · ·		[1	ी अहिंग	
	Descri	(a) ption of costs		Date am	ortization	A	(c) mortizable amount	)		(d) Code sectio	,	Amort perio	od or		(f) ortization this year	<u></u>
42	Amortization of c	osts that begins	during your	2004 tax	year (see	instruc	tions):		I		·	perce			·	<u> </u>
			<del></del>			ļ			L							
43	Amortization of	octs that have	hofe	2004:		1	<i>.</i>									
43 44	Amortization of o	osis illat begar ote in colume "	i veiore your	ZUU4 tax	year							· · · · · · ·	43	-		86.
<del></del>	Total. Add amou	rasin column (1	). See instru	cuons for				• • • • •	<u></u>	· · · · · · · ·	<u></u>	<u></u>	44			86.
					+ DIZC	812 09/3	10/04	•						Form	4562	(2004)

·c.	chedule K-1	0004	Д	Final K-1	Amended	K-1	OMB No. 1545-009
	orm 1065)	2004	[F	art III	Partner's Share of Deductions, Cre	of Co	urrent Year Income, and Other Items
Dep	partment of the Treasury Tax year beginn rnal Revenue Service and end		1	Ordinary b	usiness income (loss)	15	Credits & credit recapture
P	artner's Share of Income,	Deductions,	2	Net rental rea	estate income (loss)	+-	<del> </del>
Γ_		e separate instructions.	3	Other net r	ental income (loss)	16	Foreign transactions
	Part   Information About t	· .	4	Guarantee	d payments	<b>-</b>	
A	Partnership's employer identification 59-2266760	number	1	- Cod Circo		<u> </u>	1
В		ate, and ZIP code	5	Interest inco			
	PETER S AND WILLIAM E : PETER S AUSTIN, GEN PT	AUSTIN, PTR	6 a	Ordinary di	vidends	+-	<del> </del>
	P.O. BOX 9047	•	6 b	Qualified d	ividends	<del> </del>	
C	MORRISTOWN, NJ 07963-9	turn	7	Royalties		<del> </del>	
┢	CINCINNATI, OH  Check if this is a publicly traded	OTD)				L	
E	Tax shelter registration number,	partnership (PTP) if any	8	Net short-term	capital gain (loss)		
F	Check if Form 8271 is attached		9a	Net long-ter	rm capital gain (loss)	17 A	Alternative minimum tax (AMT) items
<b>(1)</b>	Part II Information About to	he Partner	9 b	Collectibles	(28%) gain (loss)	Τ	
G	Partner's identifying number P 141-24-0205	artner No: 1	9с	Unrecapture	ed section 1250 gain	<b> -</b> -	
Н	Partner's name, address, city, state, PETER S AUSTIN	and ZIP code	10	Net section	1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
	2051 SWAINSON'S RUN		11	Other incom	ne (loss)	c	439
	NAPLES, FL 33942						
ı	X General partner or LLC member-manager	Limited partner or other LLC member					
J	X Domestic partner	Foreign partner		•.		19	Distributions
ĸ	What type of entity is this partner?	NDIVIDUAL	12	Section 179	deduction	Α	54,000.
L	Partner's share of profit, loss, and cap	nital:	13	Other deduc	tions		
	Beginning	Ending :	+			20	Other information
	Profit 50.00000 % Loss 50.00000 %	50.00000 %				A	19.
	Loss         50.00000 %           Capital         50.00000 %	50.00000 % 50.00000 %			,		
	\		14	Self-employi	ment earnings (loss)	+	
	Partner's share of liabilities at year en Nonrecourse						
	Qualified nonrecourse financing						
	Recourse		*Se	e attached	d schedule for ad	ditio	nal information
N	Partner's capital account analysis:					anno	na mormation.
	Beginning capital account	\$210,682.	F O R		•		
	Capital contributed during the year	. \$	Ĺ				·
	Current year increase (decrease)		R S	`			
	Withdrawals and distributions Ending capital account	\$ 54,000. \$ 218,138.	U S E				
	X Tax basis ☐ GAAP		0 1 1				
	Other (explain)		Y				

				П	Final K-1 Amended	K-1	OMB No. 1545-0099
	chedule K-1 orm 1065)		2004	F	Part III Partner's Share of Deductions, Cree		urrent Year Income, and Other Items
Dep			. 2004	1	Ordinary business income (loss)	15	Credits & credit recapture
	artner's Share of Incom	e, De	eductions,	2	Net rental real estate income (loss) 61,876		1
			eparate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	Part I Information Abou	ıt the	Partnership	4	Guaranteed payments	+-	
A	<ul><li>Partnership's employer identificat</li><li>59~2266760</li></ul>	ion nur	mber	5	Interest income	<b>+-</b>	
В	Partnership's name, address, city			Ľ	20.	1_	<u> </u>
	PETER S AND WILLIAM PETER S AUSTIN, GEN		STIN, PTR	6 a	Ordinary dividends		
	P.O. BOX 9047 MORRISTOWN, NJ 07963		7	6 b	Qualified dividends	† -	
С				7	Royalties	+-	
D	Check if this is a publicly trad			8	Net short-term capital gain (loss)	<del>  -</del>	
F	H		ny	9 a	Net long-term capital gain (loss)	1_	Alternative minimum tax (AMT) items
F	Part II	t the	Partner	9 b	Collectibles (28%) gain (loss)	A_	-120.
<u>_</u>	Partner's identifying number		tner No: 2	2 9 c	Unrecaptured section 1250 gain	+-	
Н	20-6076403  Partner's name, address, city, sta	te. and	ZIP code	10	Net section 1231 gain (loss)	18	Tax-exempt income and
	WILLIAM AUSTIN TRUST					]"	nondeductible expenses
	149M AIRPORT ROAD WAITSFIELD, VT 05673			111	Other income (loss)	<u>c</u> .	440.
ļ	X General partner or LLC member-manager	□ L	imited partner or other LC member	ļ.,			
,	X Domestic partner	F	oreign partner			19	Distributions
ĸ	What type of entity is this partner?	TRU	ST	12	Section 179 deduction	A	36,000.
ı	Partner's share of profit, loss, and	canital		13	Other deductions		
h.	Beginning	Capitai	Ending	┝╼╁		20	Other information
	Profit 50.00000		50.00000 %			A_	20.
	Loss 50.00000 Capital 50.00000		50.00000 % 50.00000 %				
				14	Self-employment earnings (loss)	†	
M	Partner's share of liabilities at year Nonrecourse			+			
	Qualified nonrecourse financing	•				.	
	Recourse	\$	20,590.	*Se	e attached schedule for ad	ditio	nal information.
N	Partner's capital account analysis:			F			•
	Beginning capital account			R	•		
	Capital contributed during the year			R .			
	Current year increase (decrease) . Withdrawals and distributions			\$ ()			<b>.</b>
	Ending capital account			S E			
,	X Tax basis GAAP	<u></u>	Carlian 7040	O N			·
	X Tax basis GAAP Other (explain)		Section 704(b) book	Ľ Y			

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:

		Enter on
	Passive loss	See the Partner's Instructions
	Passive income	Schedule E, line 28, column (g)
	Nonpassive loss	Schedule E, line 28, column (h)
	Nonpassive income	Schedule E, line 28, column (i)
2	Net rental real estate income (loss)	See the Partner's Instructions
3	Other net rental income (loss)	
	Net income	Schedule E, line 28, column (q)
	Net loss	* See the Partner's Instructions
4	Guaranteed payments	Schedule E, line 28, column (i)
5	Interest income	Form 1040, line 8a
6 a	Ordinary dividends	Form 1040, line 9a
6 b	Qualified dividends	Form 1040, line 9b
7	Royalties	Schedule E, line 4
8	Net short-term capital gain (loss)	Schedule D, line 5, column (f)
9 a	Net long-term capital gain (loss)	Schedule D. line 12, column (f)
9 b	Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line (Schedule D instructions)
9 c	Unrecaptured section 1250 gain	See the Partner's Instructions
0	Net section 1231 gain (loss)	See the Partner's Instructions
1	Other income (loss)	

10 11

A Other portfolio income (loss) R Involuntary conversions Section 1256 contracts and straddles

n Mining exploration costs recapture F Cancellation of debt

Other income (loss) Section 179 deduction

Other deductions A Cash contributions (50%)

B Cash contributions (30%) Noncash contributions (50%) D Noncash contributions (30%)

E Capital gain property to a 50% organization (30%)

Capital gain property (20%) G Deductions - portfolio (2% floor) H Deductions - portfolio (other) Investment interest expense

Deductions - royalty income K Section 59(e)(2) expenditures

Amounts paid for medical insurance Educational assistance benefits

N Dependent care benefits O Preproductive period expenses

Commercial revitalization deduction from rental real estate activities

Penalty on early withdrawal of savings Pensions and IRAs

S Reforestation expense deduction T Other deductions

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment **B** Gross farming or fishing income

C Gross non-farm income 15 Credits and credit recapture

A Low-income housing credit (section 42(j)(5)) Low-income housing credit (other) Qualified rehabilitation expenditures

Ċ (rental real estate) Qualified rehabilitation expenditures (other than rental real estate)

E Basis of energy property

F Qualified timber property G Other rental real estate credits H Other rental credits

Form 8586, line 5

Form 3468, line 1

Form 3468, line 3

See the Partner's Instructions

Undistributed capital gains credit

Work opportunity credit Welfare-to-work credit

Code

Disabled access credit Empowerment zone and renewal

community employment credit New York Liberty Zone business employee credit

New markets credit

Credit for employer social security and Medicare taxes

Backup withholding

Recapture of low-income housing credit (section 42(j)(5)) R

Recapture of low-income housing credit (other) Recapture of investment credit

Other credits

V Recapture of other credits 16 Foreign transactions

A Name of country or U.S. possession B Gross income from all sources

Gross income sourced at partner level

General limitation

D Passive E Listed categories

See the Partner's Instructions See the Partner's Instructions

Form 6781, line 1 See Pub 535

Form 1040, line 21 or Form 982 See the Partner's Instructions See the Partner's Instructions

Schedule A, line 15 Schedule A, line 15

Schedule A, line 16 Schedule A, line 16

Schedule A. line 16 Schedule A, line 16

Schedule A, line 22 Schedule A. line 27 Form 4952, line 1

Schedule E, line 18 See Partner's Instructions

Schedule A, line 1 or Form 1040, line 31

See the Partner's Instructions Form 2441, line 12

See the Partner's Instructions

See Form 8582 Instructions

See the Partner's Instructions

Form 1040, line 33

See the Partner's Instructions

See the Partner's Instructions

14 Self-employment earnings (loss)

Schedule SE, Section A or 8

See the Partner's Instructions See the Partner's instructions

Form 8586, line 5

Form 3468, line 1

Form 3468, tine 2

See the Partner's Instructions

Enter on

Form 1040, line 69, box a

Form 5884, line 3 Form 8861, line 3 Form 8826 line 7

Form 8844, line 3

Form 8884, line 3 Form 8874, line 2

Form 8846, line 5 Form 1040, line 63

Form 8611, line 8

Form 8611 line 8 See Form 4255

See the Partner's Instructions

See the Partner's Instructions

Form 1116, Part I Form 1116, Part I

Form 1116 Part I

Foreign gross income sourced at partnership level Form 1116 Part I Form 1116, Part I

Form 1116, Part I

Deductions allocated and apportioned at partnership level

G Interest expense Form 1116, Part I H Other Form 1116, Part I Deductions allocated and apportioned at partnership level to

foreign source income | Passive Form 1116, Part I J Listed categories Form 1116, Part I K General limitation Form 1116, Part I

Other information L Total foreign taxes paid-Form 1116, Part II M Total foreign taxes accrued Form 1116, Part II N Reduction in taxes available for credit Form 1116, line 12

Foreign trading gross receipts Form 8873 Extraterritorial income exclusion Form 8873

Q Other foreign transactions See the Partner's Instructions Alternative minimum tax (AMT) items

A Post-1986 depreciation adjustment

Adjusted gain or loss Depletion (other than oil & gas)

Oil, gas, & geothermal properties - gross income

Oil, gas, & geothermal properties - deductions Other AMT items

See the Partner's Instructions and the instructions for Form 6251

18 Tax-exempt income and nondeductible expenses

Tax-exempt interest income Form 1040, line 8b B Other tax-exempt income See the Partner's Instructions Nondeductible expenses See the Partner's Instructions

Distributions A Cash and marketable securities

**B** Other property 20 Other information

A Investment income

Investment expenses Fuel tax credit information Look-back interest - completed D

long-term contracts Look-back interest forecast method

Dispositions of property with section 179 deductions G Recapture of section 179 deductions Special basis adjustments

Section 453(I)(3) information Section 453A(c) information

Section 1260(b) information Interest allocable to production expenditures

CCF nonqualified withdrawals Information needed to figure depletion — oil and gas

Amortization of Reforestation costs Unrelated business taxable income

Q Other information

See the Partner's Instructions

See the Partner's Instructions Form 4952, line 4a Form 4952, line 5

Form 4136 See Form 8697

See Form 8866

See the Partner's Instructions

PTPA0312 01/05/05 Schedule K-1 (Form 1065) 2004

#### **Austin & Austin Company** UNAVIOITUD **Profit & Loss**

January through December 2004

January through Decembe	r 2004
	Jan - Dec 04
Ordinary Income/Expense	
Income 5000 · Rent	200 552 74
Interest Income	280,553.71
5002 · First Morris Bank	39.25
Total Interest Income	39.25
Total Income	280,592.96
Expense	
Administration	
Interest Expense 6002 Management	35.00
6004 · Bookkeeping	36,000.00 4,188.25
6006 · Professional Fees	3,189.00
√6008 · Telephone	367.05
6010 · Office Supplies & Expense	888.47
6012 Postage	137.09
6014 · Bank Service Charge	55.93
6016 · Planning Board	2,245.00
6020 · Travel	477.54
Total Administration	47,583.33
Insurance	
6802 · Property & Liability 6804 · Owners Life Insurance	5,615.00
Total Insurance	879.00 6,494.00
Interest Expense	0,494.00
6102 · Rub-A-Dub	4,166.04
6104 · Frank Stramaglia	307.36
6108 · Peter Austin	1.807.47
Total Interest Expense	6,280.87
Maintenance & Repair 6602 · Company	13,442.54
Total Maintenance & Repair	13,442.54
Mortgage Interest 6204 · First Morris Bank	2,879.27
Total Mortgage Interest	2,879.27
Taxes	•
6302 Property Tax	47,853.33
Total Taxes	47,853.33
Utilities	
6402 · Water 6404 · Sewer	2,758.49
6406 · Electric	8,619.42
6408 Gas	2,059.53
6410 Fire Service	1,744.45 1,283.94
6412 Trash Collection	1,805.00
Total Utilities	to the second of
	18,270.83
6018 · Storage	816.00
6021 · Advertising	365.52
6756 · Depreciation Expense  Total Expense	18,829.00
·	162,814.69
Net Ordinary Income	117,778.27
Other Income/Expense Other Expense	
7000 · Suspense	0.00
- out outpoiled	0.00

6:39 A: 1 01/28/07 **Accrual Basis** 

### **Austin & Austin Company** Profit & Loss January through December 2004

Jan - Dec 04

**Total Other Expense** 0.00 **Net Other Income** 0.00 **Net Income** 117,778.27

# Austin & Austin Company Balance Sheet Charling As of December 31, 2004

Dec 31, 04

•	Dec 31, 04
ASSETS	
Current Assets	
Checking/Savings	
1000 · Commerce Checking	7,962.23
1003 FMB - Money Market	10,490.86
Total Checking/Savings	18,453.09
Accounts Receivable 1010 - Accounts Receivable	3,696.20
Total Accounts Receivable	3,696.20
Total Current Assets	22,149.29
Fixed Assets	•
Real Estate	
Cost Basis 1970 2020 · Land	
2121 · Building	27,741.00 64,325.00
·	The second material and a second seco
Total Cost Basis 1970	92,066.00
Accumulated Depreciation	
2023 · SL 25.0 yr	-64,325.00
Total Accumulated Depreciation	-64,325.00
Improvements 1992	
2041 · Cost	8,636.91
2043 · Depreciation SL MM 31.5 yr	`-3,391.00
Total Improvements 1992	5,245.91
Tank Removal 1992	5,275,
2045 · Cost	54,009,24
2047 · Depreciation SL MM 20.0 yr	-32,276.57
Total Tank Removal 1992	21,732.67
HVAC/VIP Carrier 1994	21,732.07
2049 · Cost	2 047 50
2051 Depreciation SL MM 39.0 yr	2,047.50 -571.00
Total HVAC/VIP Carrier 1994	A SECTION OF THE PARTY OF THE P
	1,476.50
Improvements 1995	
2053 · Cost 2055 · Depreciation 200DB HY 7.0 yr	5,459.00
•	-5,459.00
Total Improvements 1995	0.00
Tank Removal 1995	
2057 Cost	1,981.00
2059 Depreciation SL MM 20.0 yr	-1,120.00
Total Tank Removal 1995	861.00
Roof 1996	
2061 · Cost	6,700.00
2063 · Depreciation SL MM 39.0 yr	-1,387.00
Total Roof 1996	5,313.00
Improvements 1998	
2065 · Cost	67,107.82
2067 Depreciation SL MM 39.0 yr	-9,394.00
Total Improvements 1998	57,713.82
Improvements 1999	
2069 · Cost	91,901.21
2071 · Depreciation SL MM 39.0 yr	-12,860.00
Total Improvements 1999	term to the first of the second of the secon
	79,041.21
Improvements 2000 2073 Cost	224 424 00
4075 OUSL	224,434.86

### Austin & Austin Company Balance Sheet As of December 31, 2004

	Dec 31, 04	2
2075 Depreciation SL MM 39.0 yr	-18,943.00	,
Total Improvements 2000	205,491.86	
Improvements 2001 2077 · Cost 2079 · Depreciation SL MM 39.0 yr	139,049.76 -11,735.00	
Total Improvements 2001	127,314.76	
Improvements 2002		
2081 · Cost 2083 · Depreciation SL MM 39.0 yr	14,892.09 -971.00	
Total Improvements 2002	13,921.09	
Improvements 2003 2085 · Cost 2087 · Depreciation	32,877.31 -1,300.00	
Total Improvements 2003	31,577.31	
Improvements 2004 2088 · Cost 2089 · Depreciation	14,749.00	
Total Improvements 2004	-142.00 14,607.00	
·	14,007.00	
Total Real Estate	592,0	037.13
Total Fixed Assets	592,0	037.13
Other Assets Legal Fee - Refinance 1986 2104 · Cost	1,639.00	
2106 Amortization 19.0 yr	-1,634.00	
Total Legal Fee - Refinance 1986		5.00
Office Equipment Dell Computer 020221 2210 Cost 2212 Depreciation	1,297.44 -1,035.00	
Total Dell Computer 020221	262.44	
Disc Drive 010414 2206 Cost 2208 Depreciation	216:14 -179.00	
Total Disc Drive 010414	37.14	
Celiphone 031101 2234 · Cost	169.58	•
2236 · Depreciation	-118.00	
Total Cellphone 031101	51.58	
Dell Computer 030707 2222 · Cost 2224 · Depreciation	1,073.78 -816.00	
Total Dell Computer 030707	257.78	
Scanner 030910 2230 · Cost	188.87	
2232 Depreciation Total Scanner 030910	-144.00	
HP Printer 040517	44.87	
2237 · Cost 2238 · Accumulated Depreciation	211.97 -30.00	
Total HP Printer 040517	181.97	÷
Digital Camera 021121 2214 · Cost	265.00	

#### Austin & Austin Company Balance Sheet

As of December 31, 2004

	Dec 31, 04
2216 · Depreciation	-184.00
Total Digital Camera 021121	81.00
Shredder 030524 2218 · Cost 2220 · Depreciation	111.81 -78.00
Total Shredder 030524	33.81
Fax 030826 2226 · Cost 2228 · Depreciation	70.48 -53.00
Total Fax 030826	17.48
Total Office Equipment	968.07
Signage 2108 · Cost 2110 · Depreciation	132.50 -212.00
Total Signage	79.50
Total Other Assets	893.57
TOTAL ASSETS	615,079.99
LIABILITIES & EQUITY Liabilities Current Liabilities Accounts Payable 3000 Accounts Payable	0 000 42
Total Accounts Payable	8,888.43 8,888.43
Other Current Liabilities	0,000.43
3002 · Rub-A-Dub Current Loan	7,188.25
Total Other Current Liabilities	7,188.25
Total Current Liabilities	16,076.68
Long Term Liabilities Loans Payable 3003 · Peter Austin Amortized Loan	101,675.93
Total Loans Payable	101,675.93
Mortgages Payable First Morris Bank 3502 · 10084002 3506 · 10084004	6,763.29 18,355.46
Total First Morris Bank	25,118.75
Total Mortgages Payable	25,118.75
Security Deposits Payable 3603 · KidFit USA 3602 · New Image Cleaners 3604 · The Fish Market 3605 · Elite Photographers 3608 · Cardio Care Fitness Center 3610 · Mane Ambiance Hair Salon 3612 · Curves for Women 3614 · State Farm Insurance 3616 · Conroy's Florist	5,053.00 7,488.97 3,200.00 4,266.66 7,792.28 3,328.00 3,648.00 4,402.67 2,000.00
Total Security Deposits Payable	41,179.58
Total Long Term Liabilities	167,974.26
Total Liabilities	184,050.94

6:45 AM

01/28/07 Accrual Basis

## Austin & Austin Company Balance Sheet As of December 31, 2004

Dec 31, 04

615,079.99

Equity Capital Accounts Peter S. Austin 4002 · Equity 122,661.23 -36,000.00 4004 Drawing **Total Peter S. Austin** 86,661.23 William E. Austin Trust 4006 · Equity 122,661.23 -36,000.00 4008 Drawing Total William E. Austin Trust 86,661.23 **Total Capital Accounts** 173,322.46 4014 · Retained Earnings 139,928.32 **Net Income** 117,778.27 **Total Equity** 431,029.05

**TOTAL LIABILITIES & EQUITY** 

Form	10	65	For	U.S. Re calendar year 2003	turn of Pa	rtnership	Income	,	L	OMB No.1545-0099
Depar	tment of	the Treasury	101		ding	, 20	, 2003,	and		2003
				T	► See separat	e instructions.				2003
АР	rincipal l	business activity		Name of partnership					C	
25.	<b></b>		Use the IRS	PETER S AND	WILLIAM E	AUSTIN, P			20	number
		REALTY	label.	PETER S AUST	IN, GEN P	TR	(C(O))		<b>Y</b> 5	9-2266760
		product or service	Other- wise.	Number, street, and roor		f a P.O. box, see in:	structions.			Date business started
REN			print	P.O. BOX 904	.7					3/24/82
		code number	or type.	City or town			State ZIP cod	le		Total assets (see instrs)
531		<u>.</u>		MORRISTOWN	·		NJ 0796	63-9		600,979
		pplicable boxes		Initial return (2)	Final return	(3) Name				(5) Amended return
		ccounting meth			Accrual	(3)   Othe	r (snecity)	▶		
I N	umber	of Schedules K	-1. Attach c	one for each person	who was a part	ner at any time	during the terring			
Cauti	on: ///	clude only trade	or busines.	s income and expen	ses on lines 1a	through 22 bei	ow. See the instr	uction	s for more	information.
	- 1								842	il and the second
	1:	a Gross receipts	or sales				1 a			
		<b>b</b> Less returns a	ind allowan	ces		[	1 b		1	
Ņ						_				
C	2	Cost of goods	sold (Sched	dule A, line 8)					2	
M	3	Gross profit. S	Subtract line	2 from line 1c					3	
E	4	Ordinary incor	ne (loss) fro	om other partnership	c ocioioo	1 4 4			<u> </u>	
		(attach schedu	ıle)						4	
	5	ivet farm profit	i (loss) (atta	ach Schedule F (Fori	n 1040))					
	6	Net gain (loss)	from Form	4797, Part II, line 1	8				6	<del> </del>
	7	Other income	( \							<del> </del>
	1	(attach schedu	ìle)			• • • • • • • • • • • • • • • • • • •			7	
	8	Total income (	<b>loss)</b> . Comi	bine lines 3 through	<u>7</u>	. <u>.</u>			в	
Ş	1									
Ē	9	Salaries and w	ages (other	than to partners) (le	ess employmen	nt credits)			9	
I	10	Guaranteed pa	yments to p	partners	· · · · · · · · · · · · · · · · · · ·				10	
S	11	Repairs and ma	aintenance		• • • • • • • • • • • • • • • • • • • •				11	
R	12	Bad debts	• • • • • • • • • •		• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • • • • • • • • • • • •		12	
DCF	13	Rent	•••••••••		• • • • • • • • • • • • • • • • • • • •				13	
Di	14	raxes and licer	ns <b>es</b>				•		14	
U ON S	13	interest							15	
Ţ	16a	Depreciation (if	required, a	ittach Form 4562)		<u>.</u> 1	6 a		14.14.	· · · · · · · · · · · · · · · · · · ·
OR	_ B	Less depreciation	on reported	on Schedule A and	elsewhere on r	eturn 1	6b		16c	
N	17	Depletion (Do n	ot deduct o	oil and gas depletion	<b>.)</b>				17	
SL	10	Retirement plan	ns, etc						10	
. 1	19	⊏mpioyee bene	tit programs	s					19	
T A T	20	Other deduction	s							
1	'	(attach schedule	e)		• • • • • • • • • • • • • • • • • • • •				20	
O N S	-								, <del>                                    </del>	•
	21 '	Total deduction	s. Add the	amounts shown in th	e far right colu	mn for lines 9 t	hrough 20		21	
	22 (	Jrdinary incom	e (loss) fror	n trade or business	activities. Subtr	ract line 21 fror	n line 8	i	22	,
		I Under nenalties o	t periury 1 de/	clare that I have exemined	Africa make and the second					of my knowledge and
Sign		which preparer ha	as any knowled	mplete. Declaration of pre ige.	parer (other than g	general partner or li	mited liability compar	ny mem	ber) is base	on all information of
lere					•					
= ▼		Signature	onord or 1				<b>_</b>		with the	RS discuss this return preparer shown below
		Signature of g	eneral partner	or limited liability company	member		Date		(see ins	strs)? X Yes No
		Preparer's		•		Date			Preparer's	SSN or PTIN
aid		signature				05/07/04	Check if self- employed	- 🗍	P0021	5551
repar		Firm's name (or yours if		& HOLDEN P.C				7'	, JUL 1	
Ise O	nly	self-employed), address, and		X 1427		-		EIN	<b>►</b> 03-	0349737
		ZIP code	WAITS	FIELD		VT 0	5673	Phone		15 10 401

[	orm 1065 (2003) PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PTR 59- Schedule A Cost of Goods Sold (see instructions)	<u> </u>		Pag
	1 Inventory at beginning of year	<del></del>		
	2 Purchases less cost of items withdrawn for personal use	1		
	3 Cost of labor	3		
	4 Additional section 263A costs (attach schedule)	3	. ,	<del></del>
	5 Other costs	4		
	(attach schedule)	5		
	7 Inventory at end of year	6		
	D LUSI OI 00005 SOID SUDIFACI UNA / from lino & Enter have and .	7	·	
	9a Check all methods used for valuing closing inventory:	8		
	(i) Cost as described in Regulations section 1.471-3			
	(ii) Lower of cost or market as described in Regulations section 1.471-4			
•	(iii) Other (specify method used and attach explanation)			
	o Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1,471,000	· <del></del> -		T - :
	oricer this box in the Eli Olliveritory method was adopted this tax year for any goods (if checked attack from one		▶	1
	a both to tales of section 200A (for property produced or acquired for resale) annly to the partnership?	L1	Yes .	No
	e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  If 'Yes', attach explanation		Yes	] No
S	chedule Bar Other Information			
1	What type of entity is filing this return? Check the applicable box:		T:.	<del> </del>
	a X Domestic general partnership b Domestic limited partnership		Yes	No
	C Domestic limited liability company d Domestic limited liability partnership		Section (	
_	e ☐ Foreign partnership f ☐ Other ►	1		
3	Are any partners in this partnership also partnerships?	<del></del> -	- STATE	X
_	was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If ye instructions for required attachment	ly that ∋s, see		
4	of Tax Matters Partner below	ation	•	X
5	Does this partnership meet all three of the following requirements?		1.10 (1.00)	I X
	a The partnership's total receipts for the tax year were less than \$250,000;			學
	b The partnership's total assets at the end of the tax year were less than \$600,000; and			ANTES
	c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions to the partnership return.	s) <sup>'</sup>		
6	If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Does this partnership have any foreign partners if the last the partnership have any foreign partners? If the last the partnership have any foreign partners? If the last the partnership have any foreign partners? If the last the partnership have any foreign partners?		X	lai <b>n</b> amid
7	and the partitioning have any folcour partitions: If the Country Property to the Country of the			X
8	is this partie ship a publicly fladed partnership as defined in section 469(k)(2)?			Ŷ
9	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?  At any time during calendar year 2003, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of			X
	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign if 'Yes,' the partnership may have to file Form 3520. See instructions			X
1	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year described in the instructions under Elections Made By the Partnership  Enter the number of Forms 2905. Date: (110.2)	7		<u>X</u> ,
2	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return			X
es	Ignation of Tax Matters Partner (see instructions)		TOWNS, 67	37 4
iter	below the general partner designated as the tax matters partner (TMP) for the tax year of this return:			
	e of Identifying number of TMP			
	ess of nated TMP			
	PTPA0112 08/25/03	Form	1065 (20	(500

	(a) Distributive share items	- (b)	Total amount
	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	Total alliquit
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	141,168
	3a Gross income from other rental activities	\$ 15 k Q &	141,100
	b Expenses from other rental activities (attach sch)		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	Secret Medianata	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	4 Portfolio income (loss) (attach Schedule D (Form 1065) for lines 4d and 4e	1972 2277 2	TEN TENENCE CONT.
	a Interest income  b Dividends: (1) Qualified dividends   c Royalty income  (2) Total ordinary dividends	4a	
Income	b Dividends: (1) Qualified dividends (2) Total ordinary dividends	4b (2)	7.5
(Loss)		46 (2)	
	d Net short-term capital gain (loss): (1) post-May 5, 2003.	4d (2)	
	d Net short-term capital gain (loss): (1) post-May 5, 2003 .   e Net long-term capital gain (loss): (1) post-May 5, 2003 .   (2) Entire year .   f Other portfolio income (loss): (attach school (loss))	4 = (2)	
	Total portione floss) (attach schedule)	4.5	~~····································
	5 Guaranteed payments to partners	5	36 000
	6a Net section 1231 gain (loss) (post-May 5, 2003) (attach Form 4797)	·   - <del>  -</del>   -	36,000
	<b>b</b> Net section 1231 gain (loss) (entire year) (attach Form 4797)	6a	-696
	7 Other income (loss)	6b	-696
	8 Charitable contributions (attach schedule)	7	
Deduc-	9 Section 179 expense deduction (attach Form 4563)	8	
tions	[	9	
	( 1 = 2 = 2 = 2 = 2 = 2 = 2 = 2 = 2 = 2 =	10	
•	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	11	
Credits	The day modified housing credit. (1) Flom partnerships to which section 42(1/6) applies	1	
o, cares	(2) Other diality in the 12a(1)		
	= 4200000 Formation expenditures related to reflight feat estate activities (attach form 2460)		
	. • ordana (other than credits shown on lines (24 and (20) related to rental real estate activities		
	d Credits related to other rental activities	12d	
	13 Other credits	13	
Invest- ment	14a Interest expense on investment debts	. 14a	
Interest	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above	14b (1)	75
0.44	(2) investment expenses included on line 10 above	145 (2)	
Self- Employ-	1 10 a recreatings (1035) Hotti seli-employment	1	36,000
ment	Gross farming or fishing income	151	30,000
	L Gloss hollarm income		
Adjust-	I are a service adjustment on property placed in service affer 1986	10	-292
ments and Tax	Projusted gail of loss	4.04	-284
Prefer-	C Depletion (other than oil and gas)		204
ence Items	1 0 (7 Gloss income from 01), das, and deothermal properties		
itellis .	1 (=) = ================================	30 1	
	To the Definition of the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services and the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professional services are the professiona	16e	
	1.1 4 Harris of foreign country of 0.5. passession	7:550:00 No.	,
	b Gross income from all sources	176	
	c Gross income sourced at partner level		
	d Foreign gross income sourced at partnership level:	17c	
	(1) Passive (2) Listed categories (attach sch)		
Foreign	(1) Passive (2) Listed categories (attach sch) (3) General limitation (3) General limitation (4)	17 d (3)	·
Taxes		All and a second	
		17e (2)	
	- Seasoning anocated and appointed at partnership level to foreign source income.	<b>X206</b>	
	(1) Passive (2) Listed categories (attach sch) (3) General limitation	17f (3)	
Í	g rotal to eight taxes (check one); ►     Paid     Accrued	17g	
	Treduction in taxes available for credit (attach schedule)		
	h Amount	18b	
. 1	p :	19	
Other	20 Other tax-exempt income		
Other	21 Hordicadetable expenses	21	070
	bistributions of morey (cash and marketable securities)		879.
1	The production of property office (191) Would	23	64,000.
	and directing to the tendine to be reported spharately to partners	23	Aller V Levery
	(attach schedule)	<b>发生性性</b> 能	

	<ol> <li>Net income sum of Sch</li> </ol>	(loss). Combine Sched	lule K, lines	1 through	n 7 in co	olumn	(b). Fro	m the result, s	ubtract t	he			
	partner type:	(I) Corporate	(ii) Indiv (activ	iduai	(iii) l	ndivid assive	lua!	(iv) Partners	hip	(v) E	xempt nization	(vi) Nomin	6,54 ee/Oth
	a General partners		106	, 273.								<del></del>	<u>~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ </u>
7	b Limited partners	1 10 0		_					-+		· · · · · · · · · · · · · · · · · · ·	<del></del>	0,27
i i	vote: Schedule:	s L, M-1 and M-2 are no	t required i	f Question	5 of Sc	hedul	e B is a	nswered 'Yes.'					
5	ocnedule L	Balance Sneets per	Books	ļ	Beg	inning	of tax y	/ear	7		End of	tax year	
	1 Cash	Assets		1 CV 4 0 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(a)			(b)		(c)		(d)	<u> </u>
	7 Trade note:				PA P			30,355	14.2.34. 3.2.34.	177935	94. (All 1979)		4 10
		and accounts receivab					38687			anduluk ingga	and the state of t	1981 1883 T Sec. 19	4,18
	3 Inventories	nce for bad debts					l	-	*				lia alla
	4 U.S. sources		• • • • • • • • • •			1			1709	得以社會	THE WAY		
	5 Tax-exempt	ment obligations	• • • • • • • • • • • • • • • • • • • •			495					14		
	6 Other current as	securities	• • • • • • • • • • • • • • • • • • • •	della.	Ada t				7				
•	7 Mortgage an	ssets (attach schedule)	• • • • • • • • • •							n yy			
	8 Other investmen	d real estate loans its (attach schedule)	• • • • • • • • • • • • • • • • • • • •	14.5							4		
	9a Buildings and	d other depreciable ass										· · · · · · · · · · · · · · · · · · ·	
	b Less accumi	lated depreciation	ets		756,7				4	716	,947.	Charles Control of the	. 13754
1	0 a Depletable as	ssets	• • • • • • • • • •	· · ·	<u> 202, 1</u>	94.	le vie voe	554,544.			, 981.	568	, 966
	<ul> <li>b Less accumu</li> </ul>	lated depletion	Γ						4				, 300 58356
1	1 Land (net of a	any amortization)		ENHANCE MARK	Manager Company	467, -665		· · · · · · · · · · · · · · · · · · ·			!	Control of the Control	Bank har
1	2a Intangible as	sets (amortizable only)	• • • • • • •				evierana 1950	<u>27,741.</u>	4114		25.55	27	,741
	b Less accumul	lated amortization			1,6					1	639.	Ya.da Pulan	<u>, 141</u>
1:	3 Other assets	(attach schedule)		OMENANT.	1,4	62.		177.			548.	en e mercental de 25 establica	91
14	4 Total assets		, , , , , , , , , , , , , , , , , , ,	Ta Living	Ascertain.	rsa -			78.00	ind by the state of	15 A		
	Liab	oilities and Capital	· · · · · · ·   6			<b>77.</b>		612,817.		Vale II		600	, 979
15	Accounts pay	able			<b>分</b> 其数			diction which				Wedley Will	, <u> </u>
16	Mortgages, notes.	bonds payable in less than 1	voor S						特别。			outranser recipients (Chief	
17	Other current liab	ilities (attach sch)Ln.1	7 C+m+	Shirt				124,853.					
18	All nonrecours	se loans	Lacut					5,523.					0.
19	Mortgages, notes,	bonds payable in 1 year or m	nre	1900	44.57				2'17				
20	Other liabilities (a	ttach schedule) Ln.2	0 S+m+	11/2	12277	-		123,219.	Na <sub>2</sub> T			166	089.
21	Partners' capit	al accounts	Juli	100	7 municipal	<b>-</b>		31,522.					522.
22	Total liabilities	and canital	8.1		yers C	-		327,700.				403,	
Sc	hedule M-1	Reconciliation of I	ncome (I	OSS) DO	r Poo	MEN Lag VA	CAL L	612,817.				600,	
- 1	Net income (lo	ss) per books		139	668.	6	ith inc	ome (Loss	per R	eturn			<u> </u>
2	Income included or	Schedule K lines 1 through			900.	0	on Schedu	corded on books ti le K, lines 1 thoug	his year n	ot included			
	ob, and 7, not reco	rded on books this year (item	ize):		· 1	а	Tax-exemp	ot interest \$			1		
						_							
. 3	Guaranteed pmts (o	other than health insurance) .	<b></b>			7	Dodustions					<del></del>	
4	Expenses recorded	on books this year not include		36,	000.		, , , , , , ,	included on Sche	Oule K, lir ed anainst	es i throu	gh 11,	•	
	on Schedule K, line:	on books this year not include s 1 through 11, 14a, 17g, and	~		-								
а	Depreciation	. \$			- 1	<b>a</b> [	Deprecia	ition \$_					
b	r iravei and	_	1		- 1	_							
	entertainment	\$			!	8 A	dd lines			. <b></b>		<u>.</u>	
5	Add lines 1 three	ine 4 87	9.		879.	9 ir	nooma (lan	6 and 7					
Sch	edule M-2	ugh 4	<u></u>	176,	547.	S	ubtract lin	s) (Analysis of Ne e 8 from line 5	t Income (	Loss), line	: 1).	170	
1	Balance at book	nalysis of Partner	s Capita							· · · · · · · ·		176,5	<u>47.</u>
•	Capital contribut	nning of yeared: a Cash		327,7	700.	<b>6</b> D	istributio	ons: a Cash		· · · · · · · · · · · · · · · · · · ·		<u> </u>	<del></del>
_	- Fire solition	<b>b</b> Property	·					<b>b</b> Proper	'tv		-	64.0	<u>uu .</u>
3	Net income (loss	s) per books		120 6		7 01	ther decrea	ases (itemize):			-		
4	Other increases (item	nize):	··· <del> </del>	139,6	008.	_							
_			1			8 Ā				 			
5 /	Add lines I throu	igh 4	-	467,3		<b>9</b> Ba	lance et	band /				64,00	00
			<del></del>		<u> </u>	<b>у</b> Ба	iance at ei	nd of year. Subtrac	ct line 8 fr	om line 5		403,36	

## Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

2003

Department of the Treasury Internal Revenue Service

► See instructions. ► Attach to Form 1065, Form 1065-B, or Form 1120S.

ame					Emplo	yer identificat	ion number
	R S AND WILLIAM E AUSTIN, I				59-	2266760	)
1	Show the kind and location of each proper	ty. See	e page 2 for additional pr	operties.			
Α.	COMMERCIAL PROPERTY, NEW J	ERSE	<u>Y</u>				
			······································				
В.	-,						
				`	·		
C .							
D							
						·	
	•	- [		Prope	erties		
	Rental Real Estate Income		A	8	· C		D
							· · · · · · · · · · · · · · · · · · ·
		ł				1	
2	Gross rents	2	279,927.				
	Rental Real Estate Expenses				<u> </u>		
3	Advertising	3			Į.	· .	
4	Auto and travel	4	257.				
5	Cleaning and maintenance	5					<del></del>
6	Commissions	6					
7	Insurance	7	5,481.				
8	Legal and other professional fees	8	4,197.		<u> </u>		
9	Interest	9	14,129.	<del></del>	<del> </del> -		
10	Repairs	10	6,783.		<del> </del>		
11	Taxes		33,077.		<del> </del>		<del></del>
12	Utilities	12	16,198.	<del> </del>	ļ		
13	Wages and salaries	13 14	19,241.		<del> </del>		<del></del>
14	Depreciation (see instructions)	14	628.		<del></del>		~
15	Other (list) • Telephone				<del></del>		<del></del>
-	Office Supplies		599.		<del>}</del>		·
_	Bookkeeping and Account in	15	1,276.				
	See Other Expenses Stmt		36,893.		<del></del>		
	•	ĺ		•			
16	Total expenses for each property.	}				1	
	Add lines 3 through 15		138,759.		<u> </u>		
17	Total gross rents. Add gross rents from I	ine 2,	columns A through H			. 17	279,927
18	Total expenses. Add total expenses from	a line 1	6, columns A through H			18	-138,759
19	Net gain (loss) from Form 4797, Part II,	line 18	3, from the disposition of	property from rental r	eai		
	estate activities					19	
20	a Net income (loss) from rental real estate	acțivi	ties from partnerships, es	states, and trusts in w	hich this		
	partnership or S corporation is a partner				•	20 a	<del></del>
	b Identify below the partnerships, estates,	or trus	sts from which net income	e (loss) is shown on l	ine 20a.	100	
	Attach a schedule if more space is need	ea:	(m) =				
	(1) Name		(2) Employer iden	uncation number			
						- 132	
						-   3	
						- 開始	
21	Net income (loss) from rental real estate	e activ	ities. Combine lines 17 th	rough 20a. Enter the	result here		
	and on:		•			12.22	. 143 100
	• Form 1065 or 1120S: Schedule K, lir	ne 2, o	r			- 21	141,168
	<ul> <li>Form 1065-B: Part I, line 4</li> </ul>					一数字目	<b>经经济自己的</b> 基本。1975年了

Depreciation and Amortization (Including Information on Listed Property)

See separate instructions.

Attach to your tax return.

OMB No. 1545-0172

Department of the Treasury Internal Revenue Service

2003 67

Name(s) shown on return

PETER S AND WILLIAM E AUSTIN, PTR

Identifying number 59-2266760

Business or activity to which this form	n relates						3 2200700
Form 8825 COMMERC	IAL PROPERTY.	NEW JERSEY	,				
Part Election To Note: If you have	Expense Certain ve any listed property	Property Under S	ection 179 re you complete F	Part I.	<u> </u>		
1 Maximum amount. See	e instructions for a hi	gher limit for certain bu	sinesses			Т.	
2 Total cost of section 1	79 property placed in	service (see instruction	ne)			· - <u>-</u>	\$100,000
3 Threshold cost of secti	on 179 property befo	re reduction in limitation	n		• • • • • • • • • • • • • • • • • • • •	12	
4 Reduction in limitation.	. Subtract line 3 from	line 2. If zero or less,	enter "n.		······································	_3	\$400,000
Dollar limitation for tax	Vear Subtract line 4	from line 1 16				_	
deparatery, see mistrac	tions	riom line 1. If zero or		marneu ming		5	
6	(a) Description of propert	у	(b) Cost (busine	ss use only)	(C) Elected co		201 - 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	·						
7 Listed property. Enter t	the amount from line	29		7		_	
8 Total elected cost of se	ection 179 property. A	idd amounts in column	(c), lines 6 and 7			8	AND THE COMMENT OF THE PERSON
Fremative deduction. Er	nter the smaller of lin	e 5 or line 8					<u> </u>
To Carryover of disallowed	a deduction from line	13 of your 2002 Form 4	1562			10	
i i business income limita	tion. Enter the smalle	er of business income (	not less than zore	Norline E /-	' ' '	11	
12 Section 1/3 expense de	eduction. Add lines 9	and 10, but do not ente	er more than line	11		12	
13 Carryover of disallowed	i deduction to 2004. A	Add lines 9 and 10 less	: line 12	▶ 13			ATTACK TO SERVICE
Note: Do not use Part II of Pa	art III below for listed	property Instead use	Part 1/				The state of the state of the state of
Part II Special Depre	<u>eciation Allowan</u>	ce and Other Dep	reciation (Do n	ot include lis	ted property )		
- Special deplectation all	OWADCE for dualitied i	nranarty (athar than 1:-1					<u> </u>
						14	723
	ion ros(t)(1) election	(see instructions)	• • • • • • • • • • • • • • • • • • • •			15	
16 Other depreciation (incl	reciption (5)	structions)			· <u> </u>	16	. 0
Part III MACRS Dep	reciation (Do not in	nclude listed property.)	(See instructions)	)			
17 MACRS deductions for a	essets placed in servi	Secti	on A				
18 If you are electing under						17	17,808
18 If you are electing under one or more general ass	set accounts, check h	group any assets place iere	d in service durin	ig the tax yea	or into	Section 1	
Section	B - Assets Placed	in Service During 2003	Tax Year Using	the General I	)eprociation 6	eli in all'a	द्राम्यात्रां स्थापिते स्थापिते स्थापिते ।
(a) Classification of property	(b) Month and year placed in service	(C) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	ysten	(g) Depreciation deduction
19a 3-year property				<del> </del>			
b 5-year property		666.	5.0 yrs	111	2000		
	是"有效"。 "我们的一个"自己的","我们们就是一个"我们们"。		7.0 yrs	HY	200DB		133.
d 10-year property			7.0 y13	HY	200DB		8.
e 15-year property				<del> </del>	-	_	
c 7-year property d 10-year property e 15-year property f 20-year property g 25-year property h Residential rental					-		
g 25-year property			25 yrs				
h Residential rental	Secretary State State Section 3				, S/L		
property			27.5 yrs	MM	S/L		
i Nonresidential real	06/03	22 077	27.5 yrs	MM	S/L		
properly		32,877.	39 yrs -	MM	S/L		457.
	. 1		<u> </u>	MM	S/L		
20 a Class life	- Assets Placed in	Service During 2003 Ta	ax Year Using the	Alternative	Depreciation S	yster	m
20 a Class life	-				S/L		
6 40 year			12 yrs		S/L		
c 40-year			40 yrs	MM	S/L		
21 Listed property. Enter am							
22 Total Add amounts from line 13	lines 14 through 17 (in-	s 19 and 20 in column (a), an	,	and on the answer	21	-	112.
23 For assets shown above a	and placed in service	during the	····	and on the appro	priate lines		19,241.
the portion of the basis at	tributable to section 2	263A costs	, enter 2	3			

Part V
Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

Ty			usiness/investm	Cité asc cia	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<del></del>	X Yes		NO 24	DITYE	es, is t	he evidei	ice writter	1?	X   Yes	l N
	(a) pe of property (list	(b) Date placed	(c) Business/		(d)		(e)		•	0		(g)		(h)		(i)
	vehicles first)	in service	investment use		ost or ir basis	(busi	for deprei ness/inves	tment	Reco	very .		fethod/ nvention	D	epreciation deduction	se	Elected ction 179
^~	0		percentage			<u> </u>	use only)	- 1								cost
25	Special depreci used more than	ation allowance 50% in a quali	e for qualified ified business	listed pr	operty pla e instructi	nced in	service	during	the ta	x year	r and	25	.	0.5	2/4	
26	Property used n	nore than 50%	in a qualified	busines	s use (see	instru	ctions).	·····	· · · · · ·		· · · · · ·	. 25	<u>'                                    </u>	85	· 統統	
CEL	LULAR PHONE	10/06/99	100.00		138.	T		38.	7.	00	200	DB/H	vl ·	6	1	
EL	L PHONE	01/01/01	100.00		104.	<b>—</b>		04.	7.			DB/H		0		
		11/01/03	100.00		170.			85.	7.			DB/H		12		
<u> 27</u>	Property used 5	0% or less in a	qualified bus	iness us	e (see ins	tructio	ns).					<u> </u>	'		<u></u>	
	· · · · · · · · · · · · · · · · · · ·	·	<u> </u>								Γ		T		5,779	asing and
			ļ			<u> </u>										
	<del></del>					<u> </u>							1			
28	Add amounts in	column (h), line	es 25 through	27. Ente	er here an	nd on li	ne 21, p	age 1				. 28		112		
29	Add amounts in	column (i), line	26. Enter he	ere and o	n line 7, p	age 1	<u> </u>				<i></i> .			29		-
				Section	ı B — Info	rmatio	n on Us	e of Va	ahiclac							
omi omi	lete this section	tor vehicles us	ed by a sole	proprieto	r, partner	, or oth	er 'more	e than	5% ow	ner,' d	or rela	ited pe	rson. If	you provid	led veh	icles
- 301	ur employees, fir	at at is well tile u	uestions in s	T T	to see ii j	you me	et an ex	ceptio	n to co	mplet	ing th	is sect	ion for t	hose vehi	cles.	,
30	Total business/ir	vestment mile:	s driven	1	(a)		(b)	1	(c)		(6	d)		(e)	(	(1)
	during the year ( miles – see inst	<b>do not</b> include	commuting	Ver	nicle 1	Veh	icle 2		ehicle 3	3	Vehi	cle 4	Vel	nicle 5	Veh	icle 6
	Total commuting mile							┼—		_						
	Total other perso			·· <b> </b> -				<del>  `</del>					<del> </del>	·		
	miles driven					•							1	İ		
33	Total miles driver	during the ye	ar. Add					1								<del></del>
	ines 30 through	32			<del>  </del>						<u> </u>					
4 1	Was the vehicle a	wailable for no	roonal	Yes	No	_Yes	No	Yes	No.	<u> </u>	res	No	Yes	No	Yes	No
~ (	during off-duty ho	ours?	rsonai use		`											
5 \	Vas the vehicle than 5% owner of	sed primarily to related person	oy a more							-		<del></del>		+		
6	s another vehicle personal use?	available for						-	+	+			-			
<u></u>					alovore M	ha Dua			<del></del>				L			<u> </u>
swe	r these questions	to determine i	- Question	n overet	ion to see	IIO Pro	vide ve	nicles	tor Us	e by T	heir E	mploy	ees			
ow	r these questions ners or related p	ersons (see ins	structions).	пехсери	ION TO CON	pieting	Section	n B for	vehicl	es use	ed by	employ	ees wh	o are not	more th	han
7 r	o vou maintain a	written nelieu	-4-41 ()				<del></del>								•	
b	o you maintain a y your employee:	s?	statement th	at pronibi	its all pers	sonal u	se of ve	hicles,	includ	ing co	mmu	ting,		-	Yes	No
3 D	o vou maintain a	writteri nolicy	ctatamant th	- A t- 1 t- 1						• • • • •		• • • • • • •	•••••			
	o you maintain a mployees? See i			3 07 0010	orate onit	ers or	PUDIS	Or 1 1/2	cept co	ommu ré owr	ting, t	y your				
	o you weat an us	e or verlicies of	y employees	as perso	nal use? .											
<b>D</b>	o vou provide ma	re than five ve	hicles to you	r omolow	ooc obia:			rom vo	our omi	albuna				<u> </u>		
															1	
יט N	you meet the re	equirements co	ncerning qua	lified aut	omobile d	emons	tration L	use? (s	ee inst	tructio	ns)					
	ote: If your answ		3, 40, 01 41 IS	res, a	o not com	plete S	Section E	3 for th	ie cove	red ve	ehicle	5.			333	
er Can			<del></del>												-	
		(a) ion of costs		(t Date amo			(c)	- 1		(d)		(	e)		(1)	
				beg		, A	mortizahle amount	}		Code ection			ization od or		ortization this year	
	mortization of co	sts that begins	during your	2002 tou		<u> </u>				•		perce	intage			
A			during your 2	.003 tax	year (see	instruc	tions):	·					<del></del>			
A.		<del></del>														
Α								ı								
	mortization of co	sts that began	before your 2	2003 tax s	vear								<del></del>			
A	mortizátion of co otal. Add amount	sts that began s in column (f)	before your 2 . See instruc	2003 tax y	year where to r	enort		<u> </u>		.,			43			86.

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

 Attach to your tax return. See separate instructions. OMB No. 1545-0184

2003

27

Department of the Treasury Internal Revenue Service Name(s) shown on return

PETER S AND WILLIAM E AUSTIN, PTR.

Identifying number 59-2266760

Enter the gross proceeds from sales or exchanges reported to you for 2003 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.) 2 (e) Depreciation (f) Cost or other (g) Gain or (loss) (a) Description (b) Date acquired (C) Date sold (d) Gross allowed or allowable since acquisition basis, plus improvements and expense of sale for entire year Subtract (f) from the sum of (d) and (e) (h) Post-May 5, of property (month, day, year) (month, day, year) sales price 2003, gain or (loss)\* (see below) CELLULAR PHONE 10/06/99 10/31/03 0 101 DISC DRIVE 11/09/99 10/31/03 0 159

- SCANNER 11/24/99 10/31/03 0 122 See Add'l Line 2 Sales 0 1817 **3** Gain, if any, from Form 4684, line 39 .....
  - Section 1231 gain from installment sales from Form 6252, line 26 or 37 .....

  - Section 1231 gain or (loss) from like-kind exchanges from Form 8824 ..... 6 Gain, if any, from line 32, from other than casualty or theft ......
  - Combine lines 2 through 6 in columns (g) and (h). Enter the gain or (loss) here and on the appropriate line as follows

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below.

All others. If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8, 9, and 12. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, 11, and 12 below.

- Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .
- Subtract line 8 from line 7. If line 9, column (g) is zero or less, enter -0- in column (g). If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g), is more than zero, enter the amount from line 8, column (g) on line 12 below and include the (joss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D

	138	77	
			-37
	180	-21	-21
	138	-16	-16
	2439	-622	-622
	3.		
	4		
	5		
	6		0.
	7	-696	-696.
İ			

\*Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain and the amount, if any, on line 8, column (g), does not equal or exceed the gain on line 7, column (g). Include in column (h) all gains and losses from column (g) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1250 gain.

8

#### Part I Ordinary Gains and Losses

<u> 10</u>	Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or	lecs): /		<u>\</u>
	year of	1655).	·	
			· · · · · · · · · · · · · · · · · · ·	Harris Andrews
11	Loss, if any, from line 7, column (g)	11		
12	Gain, if any, from line 7, column (g), or amount from line 8, column (g), if applicable	11		
13	Gain, if any from line 21	12		<b>作器是包含</b>
	Gain, if any, from line 31	13		
14	Net gain or (loss) from Form 4684, lines 31 and 38a	14		
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	<del></del>	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	13	<del></del>	
17	Reconture of section 170 evenes deduction for	16		
• •	Recapture of section 179 expense deduction for partners and S corporation shareholders for property dispositions from 2002-2003 fiscal year partnerships and S corporations (see instructions)			
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows	17		
9	For all expent individual returns. Takes the second of the appropriate line as follows	18		
	For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed.	<b>"大大"</b>	THE SALES AS	
	For individual returns:		A44 7 75 17 1.47 1.	
	(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that			
		400	34-55-61	
	Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from Form 4797, line 18b(1).	金额 指数	<b>公公司等 1979</b>	
	See instructions	101 (1)		
	(2) Redetermine the gain or (loss) on line 18 evaluation the loss of	18b (1)		
	(2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14.  For Paperwork Reduction Act Notice, see instructions			
BAA	For Paperwork Reduction Act Notice, see instructions	18b (2)		THE PARTY OF THE

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, etc

OMB	No.	1545	മമവവ

For calendar year 2003 or tax year

Department of the Treasury Internal Revenue Service beginning , 2003, and ending

20

2003

R S AN R S AU BOX 9 ISTOWN Intrer's shallfied nor her	nrecourse financing egistration number f this partnership is a partnership	JSTIN, PTR  37  structions):\$83,044\$87,044
R S AN BOX 9 ISTOWN ortner's shalfied normer was shelter reck here in defined in eck applicate of 17, ule M-2 9 834	ID WILLIAM E AUSTIN, GEN PTR 1047  I, NJ 07963-904  are of liabilities (see in a particular of liabilities)  registration number f this partnership is a partne	structions):  \$ 83,044 \$ 15,761  bublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682,  (c) 1040 filers enter the
R S AU BOX 9 ISTOWN Intrner's sha Intrecourse Islified nor her	ASTIN, GEN PTR 1047  I, NJ 07963-904  Are of liabilities (see in Arecourse financing  egistration number  f this partnership is a partnership	structions):  \$ 83,044 \$ 15,761  bublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682,  (c) 1040 filers enter the
BOX 9 ITSTOWN intrner's sha intrecourse intrecourse interior inter	noter of liabilities (see in a partnership is a partnersh	structions):  \$ 83,044 \$ 15,761  publicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
ISTOWN intrner's sha intrecourse indified nor her introver shelter r eck here in defined in eck applic are of 17, ule M-2 9,834	nrecourse financing egistration number f this partnership is a partnership	structions):  \$ 83,044 \$ 15,761  publicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
artner's sharrecourse ralified nor her	are of liabilities (see in necourse financing egistration number f this partnership is a pa	structions):  \$ 83,044 \$ 15,761  publicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
nrecourse ralified nor her	egistration number f this partnership is a partnership is	\$ 83,044 \$ 15,761  Sublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
x shelter reck here indefined in eck applicate of 17, ule M-2	egistration number f this partnership is a present of the section 469(k)(2)  able boxes: (1) from (d) Withdrawals and distributions  23,000 (b) Amount	S 83, 044 15, 761  Sublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210, 682, (c) 1040 filers enter the
x shelter reck here indefined in eck applicate of 17, ule M-2	egistration number f this partnership is a present of the section 469(k)(2)  able boxes: (1) from (d) Withdrawals and distributions  23,000 (b) Amount	S 83, 044 15, 761  Sublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210, 682, (c) 1040 filers enter the
x shelter reck here in defined in eck applic are of 17, ule M-2	egistration number f this partnership is a process section 469(k)(2)  able boxes: (1) f  (d) Withdrawals and distributions  23,000  (b) Amount	cublicly traded partnership  Final K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210,682,
eck here indefined in eck applicate of 17, ule M-2	egistration number  f this partnership is a partnership i	cinal K-1 (2) Amended K-1  (e) Capital account at end of year (combine columns (a) through (d))  210, 682,
are of 17, ule M-2	able boxes: (1)   F  (d) Withdrawals and distributions   23,000   (b) Amount	(e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
are of 17, ule M-2	able boxes: (1)   F  (d) Withdrawals and distributions   23,000   (b) Amount	(e) Capital account at end of year (combine columns (a) through (d))  210,682, (c) 1040 filers enter the
are of 17, ule M-2	able boxes: (1)	(e) Capital account at end of year (combine columns (a) through (d))  210,682.
are of 17, uie M-2	(d) Withdrawals and distributions  23,000 (b) Amount	(e) Capital account at end of year (combine columns (a) through (d))  210, 682.
17, ule M-2 9, 834.	(d) Withdrawals and distributions  23,000	(e) Capital account at end of year (combine columns (a) through (d))  210, 682.
17, ule M-2 9, 834.	distributions 23,000	year (combine columns (a) through (d))  210,682.  (c) 1040 filers enter the
9,834.	distributions 23,000	year (combine columns (a) through (d))  210,682.  (c) 1040 filers enter the
9.834.	(b) Amount	(c) 1040 filers enter the
1	(b) Amount	(c) 1040 filers enter the
1	l	(c) 1040 filers enter the
1		amount in column (b)
1-1-1		amount in column (b) on:
	70,584:	See Partner's Instructions for Schedule K-1 (Form 1065).
9 20 MM 47 3 CO		1 1003).
1000		
4a		Form 1040, line 8a
4b(1)		Form 1040, line 9b
4b(2)		Form 1040, line 9a
4c		Schedule E, Part I, line 4
4d(1)		Schedule D, line 5, column (g)
4d(2)		Schedulc D, line 5, column f)
4e(1)		Schedule D, line 12, column g)
4e(2)		Schedule D, line 12, column (f)
41		
5	36,000.	0
6a	-348.	See Partner's Instructions for Schedule K-1 (Form 1065).
6b	-348.	
7		
R		Schedule A, line 15 or 16
9		<del></del>
10		See Partner's Instructions for
11		Schedule K-1 (Form 1065).
12a(1)		
12a(2)		Form 8586, line 5
12b		
		See Partner's Instructions for
12c	,	Schedule K-1 (Form 1065).
12d		
13		
	3 4a 4b(1) 4b(2) 4c 4d(1) 4d(2) 4e(1) 4e(2) 4f 5 6a 6b 7 8 9 10 11 12a(1) 12a(2) 12b	3 4a 37. 4b(1) 4b(2) 4c 4d(1) 4d(2) 4e(1) 4e(2) 4f 5 36,000. 6a -348. 6b -348. 7 8 9 10 11 12a(1) 12a(1) 12a(2)

Schedul	e K-1 (Form 1065) 2003 PETER S AUSTIN			141-24-0205 Page 2
	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest-	14a Interest expense on investment debts			Form 4952, line 1
ment Interest	<b>b (1)</b> Investment income included on lines 4a, 4b(2), 4c, and 4f		37.	
	(2) Investment expenses included on line 10	14b(2)		Schedule K-1 (Form 1065).
Self-	15a Net earnings (loss) from self-employment	15a	36,000	Schedule SE, Section A or B
employ			30,000.	T"T
ment	c Gross nonfarm income			See Partner's Instructions for Schedule K-1 (Form 1065).
	16 a Depreciation adjustment on property placed in service after 1986	162	- 1 4 6	
Adjust- ments	b Adjusted gain or loss		<u>-146.</u>	
and	c Depletion (other than oil and gas)	100	-142.	See Partner's Instructions for
Tax	d (1) Gross income from oil, gas, and geothermal properties			Schedule K-1 (Form
Pref- erence	(2) Deductions allocable to all and and analysis are	16d(1)		1065) and Instructions
Items	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		for Form 6251.
	e Other adjustments and tax preference items (attach sch)			
	17a Name of foreign country or U.S. possession			
	<b>b</b> Gross income from all sources	17ь		<u> </u>
	c Gross income sourced at partner level			·
٠	d Foreign gross income sourced at partnership level:			
	(1) Passive	17d(1)		
	(2) Listed categories (attach schedule)	17d(2)		
	(3) General limitation			
Foreign	e Deductions allocated and apportioned at partner level:			Form 1116, Part I
Taxes	(1) Interest expense	17e(1)		
	(2) Other	17e(2)		
	f Deductions allocated and apportioned at partnership level to foreign source income:			
	(1) Passive	17f(1)		
	(2) Listed categories (attach schedule)	17f(2)		
	(3) General limitation	17f(3)		
•	g Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17g		Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12.
	18a Section 59(e)(2) expenditures: a Type ►	1447		See Partner's Instructions for
	<b>b</b> Amount	18b		Schedule K-1 (Form 1065).
Other	19 Tax-exempt interest income			Form 1040, line 8b
Other	20 Other tax-exempt income			<del></del> 1
	21 Nondeductible expenses		439.	_ See Partner's Instructions for
	22 Distributions of money (cash and marketable securities)	22	23,000.	Schedule K-1 (Form 1065).
	23 Distributions of property other than money	23		
	24 Recapture of low-income housing credit:			
	a From section 42(j)(5) partnerships	24 a		- Form 8611, line 8
	<b>b</b> Other than on line 24a	24b		
	25 Supplemental information required to be reported separately to each partner (attach ac	dditional schedu	iles if more space is neede	ed):
	Schedule K, line 16b, adj gain or loss - Post	5/5/03	portion	-142
		•		- ;
1	· -		·	•
	•			•
Supple- mentai	-			
Infor-		,		
mation				
-				
l				•
				<b>,</b>
				•
1				
ł			•	•

#### Schedule K-1 (Form 1065)

#### Partner's Share of Income, Credits, Deductions, etc

OMB No. 1545-0099

20

2003

Department of the Treasury Internal Revenue Service

beginning

For calendar year 2003 or tax year , 2003, and ending

Partner's identifying number ► 20-60/6403				Partnership's identifying number ► 59-2266760				
Partner's name, address, and ZIP code Partner No: 2				Partnership's name, address, and ZIP code				
WILLIAM AUSTIN TRUST				PETER S AND WILLIAM E AUSTIN, PTR				
149M AIRPORT ROAD					STIN, GEN PTR	37214,1711		
WAITS	FIELD, VT 0567	73		1				
	,		•		P.O. BOX 9047 MORRISTOWN, NJ 07963-9047			
A This	partner is a X gen	neral partner limited pa	artner					
	Imited liability comp		ai trier	F Parin	iers sna	ere of liabilities (see ins	structions):	
. L. ■ N/ba				Nonre	ecourse			
		partner? TRUST		Quali	ified nor	recourse financing	\$ 83.045	
	is partner a X dome	estic or a foreign partner	?	Other	r		\$ 15,761.	
		efore change or termination (ii) E		G Tax s	helter r	egistration number . 🟲		
Prof	it sharing <u> </u>	%50	. 00000 %	H Check	k here i	f this nartnershin is a n	ublicly traded partnership	
Loss	sharing	%50	.00000%	as de	fined in	section 469(k)(2)	·····	
Owne	rship of capital	%50	.00000%					
E IRS C	enter where partnership filed		)H	I Checi	k applic	able boxes: (1)	inal K-1 (2) Amended K-1	
J Ar	alysis of partner's cap	ital account:		<del></del>	<del></del>		- Amerided K-1	
(a)	Capital account at	(b) Capital contributed	(c) Parts	or's chara		(d) Market 1	14.0	
` <b>b</b>	eginning of year	during year	l lines 3	ner's share 3. 4. and 7	01	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a)	
			lines 3 Form 1065	, Schedule	e M-2	a.diribations	through (d))	
	163,852.			69	. 834 .	41,000		
		Pat-authority and the	· · · · · · · · · · · · · · · · · · ·		034.	41.000.	192,686,	
	(a,	) Distributive share item				(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
		e (loss) from trade or busines						
	2 Net income (loss) fr	rom rental real estate activities			2	70,584.	See Partner's Instructions for	
·	3 Net income (loss) from other rental activities				3		Schedule K-1 (Form 1065).	
	4 Portfolio income (loss):				135-131 1: <b>83</b> -131		<del> </del> '	
Income				~	4a	38	Form 1040, line 8a	
(Loss)		vidends						
	(2) Total ordina	ry dividends			4b(2)		Form 1040, line 9b	
							Form 1040, line 9a	
•		rm capital gain (loss) (post-M					Schedule E, Part I, line 4	
	(2) Not short to	rm capital gain (loss) (post-ivi	iay 5, 2003)	• • • • • • • • • • • • • •	4d(1)		Schedule D, line 5, column (g)	
	(2) Net Short-le	rm capital gain (loss) (entire	year)		4d(2)		Schedule D, line 5, column f)	
		m capital gain (loss) (post-Ma					Schedule D, line 12, column g)	
		m capital gain (loss) (entire ye				<u> </u>	Schedule D, line 12, column (f)	
	f Other portfolio incon	ne (loss) <i>(attach schedule)</i>			4f		<u> </u>	
	5 Guaranteed pay	ments to partner	·	: <u> </u>	5	0.	Con Davidari I. I. III	
	6a Net section 1231	gain (loss) (post-May 5, 200	3)	[	6a	-348.	See Partner's Instructions for Schedule K-1 (Form 1065).	
	<b>b</b> Net section 1231	gain (loss) (entire year)			6b	- 348.	( om 7003).	
	7 Other income (Id	oss) (attach schedule)			7		<u> </u>	
•	8 Charitable contribution	ons (see instructions) (attach schedul	e)		8		Schedule A, line 15 or 16	
Deduc-		ense deduction			9		- Criedie A, lille 15 of 16	
tions	10 Deductions related to	portfolio income (attach schedule).			10		See Partner's Instructions for	
		tach schedule)			11		Schedule K-1 (Form 1065).	
	12a Low-income hou	sing credit				· · · · · · · · · · · · · · · · · · ·		
		1 42(j)(5) partnerships						
					12a(1)		Form 8586, line 5	
		n line 12a(1)			12a(2)			
Credits	b Qualified rehabili estate activities	tation expenditures related to	rental real	l ä	12b			
	c Credits (other that	an credits shown on lines 12a	and 12b)	5			See Partner's Instructions for	
j	related to rental real estate activities				12c		Schedule K-1 (Form 1065).	
. [		other rental activities			12 d	· · · · · · · · · · · · · · · · · · ·		
					13			

Correda	ie Kar (roum 1003) 2003 MIELIAM AUSTIN TRUST	· · ·		20-6076403 Page
	(a) Distributive share item	•	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest		. 14a		Form 4952, line 1
ment Interes	b (1) Investment income included on times 45, 45(2), 45, and 45	14b(1)	. 38	
	(2) Investment expenses included on line 10	14b(2)		Schedule K-1 (Form 1065).
Self-	15a Net earnings (loss) from self-employment	15.2		
employ	<b>b</b> Gross farming or fishing income	156		Schedule SE, Section A or B
ment	c Gross nonfarm income	130	· · · · · · · · · · · · · · · · · · ·	See Partner's Instructions for
	16.2 Degreciation adjustment on property placed in social after 1990	150		Schedule K-1 (Form 1065).
Adjust- ments	h Adjusted gain or loss	16a	-146	<del>- </del> }
and	b Adjusted gain or loss	16b	-142	4   000   GI (II) GI (I
Tax	c Depletion (other than oil and gas)	16c		Instructions for
Pref- erence	d (1) Gross income from oil, gas, and geothermal properties	16d(1)		Schedule K-1 (Form 1065) and Instructions
items	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		for Form 6251.
	e Other adjustments and tax preference items (attach sch)	16 e		<del> </del>
	17 a Name of foreign country or U.S. possession			
	b Gross income from all sources	. 17b	±	
	c Gross income sourced at partner level	17c		1   .
	d Foreign gross income sourced at partnership level:			1.
	(1) Passive	17d(1)	•	
	(2) Listed categories (attach schedule)	17d(2)		1
	(3) General limitation	17d(3)		1
Foreign	e Deductions allocated and apportioned at partner level:		,	Form 1116, Part I
Taxes	(1) Interest expense	17e(1)		
	(2) Other	17e(2)		1   .
	1 Deductions allocated and apportioned at partnership level to foreign source income:			1
	(1) Passive	17f(1)		
	(2) Listed categories (attach schedule)	17f(2)		
	(3) General limitation	17f(3)		
	g Total foreign taxes (check one): ► Paid Accrued	17g		Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12.
	18 a Section 59(e)(2) expenditures: a Type ►	.ET		
	D Amount	18b		See Partner's Instructions for Schedule K-1 (Form 1065).
Other	19 Tax-exempt interest income	19		Form 1040, line 8b
Other	20 Other tax-exempt income	20		
	21 Nondeductible expenses	21	440.	
	22 Distributions of money (cash and marketable securities)	22	41,000.	<ul> <li>See Partner's Instructions for Schedule K-1 (Form 1065).</li> </ul>
į	23 Distributions of property other than money	23		
	24 Recapture of low-income housing credit:			<del></del>
]	a From section 42(j)(5) partnerships	24a		Form 8611, line 8
	b Other than on line 24a	24b		1
.[	25 Supplemental information required to be reported separately to each partner (attach add	ditional sched	ules if more space is neede	ed):
-	Schedule K, line 16b, adj gain or loss - Post	5/5/03	portion.	-142.
			•	142.
Supple- mental		,		
Infor-				
mation				•
		4	-	•
	•			,
- 1			i	
	•			

Form 1065, Schedule M-1, Line 4 Sch M-1, Line 4

INSURANCE	-	<b>OWNERS</b>	LIFE T

879.

Total

879.

Form 1065, Schedule L, Line 17

**Other Current Liabilities** 

Other Current Liabilities (itemize):	Beginning of tax year	End of tax year
Credit card payable	5,523.	0.
Total	5,523.	. 0.

Form 1065, Schedule L, Line 20

Other Liabilities

Other Liabilities (itemize):	Beginning of tax year	End of tax year
Security Deposits	31,522.	31,522.
Total	31,522.	31, 522

Form 8825, Page 1, Line 15

Other Expenses Stmt

•			
Other (list)►		1	1
Storage	807.		
Amortization	86.		
Management	36,000.	 	
		 	ì

Total

36,893.

Form 4797, Page 1, Line 2 Add'l Line 2 Sales

Description of					l .	
<b>(b)</b> Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)	(h) Post- May 5, 2003 gain or (loss)*
COMPUTER 2000 02/01/00 CELL PHONE	10/31/03	0	1655	2151	-496	-496
01/01/01 FAX MACHINE	10/31/03	0	49	104	-55	-55
01/28/01	10/31/03	0	91	148	<u>-57</u>	57

## Austin & Austin Company UNDITED Profit & Loss

January through December 2003

Jan	-	Dec	03
-----	---	-----	----

	Jan - Dec 03
Ordinary Income/Expense	
Income	· \
5000 · Rent	281,028.08
Interest Income	201,020.00
5002 First Morris Bank	75.08
Total Interest Income	75.08
Total interest income	
Total Income	281,103.16
	201,100.10
Expense Administration	
6002 Management	37,385.50
6004 Bookkeeping	1,276.00
6006 · Professional Fees	2,355.00
6008 · Telephone	555.69
6010 · Office Supplies & Expense	351.71
6012 · Postage	185.79
6014 · Bank Service Charge	61.36
6016 · Planning Board	1,842.00
6020 · Travel	256.92
6022 · Bad Debts	222.96
6024 · Loss from disposal of assets	696.22
Total Administration	45,189.15
lma	, 10,,00.,0
Insurance 6802 · Property & Liability	
6804 · Owners Life Insurance	<sub>.</sub> 5,976.00 879.00
	0/3.00
Total Insurance	6,855.00
Interest Expense	•
6102 · Rub-A-Dub	5,250.47
6104 · Frank Stramaglia	2,122.99
6106 · Bank of America	64.02
Total Interest Expense	7,437.48
Maintenance & Repair	,
6602 · Company	5,247.00
6604 · Tenant	150.00
Total Maintenance & Repair	5,397.00
•	
Mortgage Interest 6204 · First Morris Bank	6 604 20
	6,691.29
Total Mortgage Interest	6,691.29
Taxes	
6302 · Property Tax	33,076.53
Total Taxes	33,076.53
Utilities	, 00,010.00
6402 Water	2 E42 EE
6404 Sewer	3,513.55 9,552.75
6406 · Electric	1,518.17
6408 · Gas	372.84
6410 · Fire Service	1,270.65
6412 · Trash Collection	166.43
Total Utilities	
× ·	16,394.39
6018 · Storage	807.00
6756 Depreciation Expense	19,327.00
Total Expense	141,174.84
Not Ondinon Income	
Net Ordinary Income	139,928.32
Other Income/Expense	•
Other Expense	e de la companya del companya de la companya del companya de la co
7000 · Suspense	0.00

6:43 AM 01/28/07 Accrual Basis

#### Austin & Austin Company **Profit & Loss**

January through December 2003

Jan - Dec 03

**Total Other Expense Net Other Income** 

0.00

**Net Income** 139,928.32

# Austin & Austin Company WARDING Balance Sheet As of December 31, 2003

As of Decembe	r 31, 2003
	Dec 31, 03
ASSETS	
Current Assets	•
Checking/Savings	
1001 · FMB Checking 1003 · FMB - Money Market	1,478.29
Total Checking/Savings	2,702.94 4,181.23
Accounts Receivable	,,,,,,,,,,
1010 Accounts Receivable	741.93
Total Accounts Receivable	741.93
Total Current Assets	4,923.16
Fixed Assets	
Real Estate	•
Cost Basis 1970	
2020 · Land 2121 · Building	27,741.00 64,325.00
Total Cost Basis 1970	92,066.00
Accumulated Depreciation	
2023 · SL 25.0 yr	-64,325.00
Total Accumulated Depreciation	-64,325.00
Improvements 1992	
2041 · Cost · 2043 · Depreciation SL MM 31.5 yr	8,636.91 -3,121.00
Total Improvements 1992	5,515.91
Tank Removal 1992	
2045 Cost	54,009.24
2047 · Depreciation SL MM 20.0 yr	-29,495.57
Total Tank Removal 1992	24,513.67
HVAC/VIP Carrier 1994	
2049 · Cost 2051 · Depreciation SL MM 39.0 yr	2,047.50 -519.00
Total HVAC/VIP Carrier 1994	Andrewski and the second of the second of the second
Improvements 1995	1,528.50
2053 · Cost	5,459.00
2055 Depreciation 200DB HY 7.0 yr	-5,459.00
Total Improvements 1995	0.00
Tank Removal 1995	•
2057 · Cost	1,981.00
2059 Depreciation SL MM 20.0 yr Total Tank Removal 1995	-964.00
Roof 1996	1,017.00
2061 Cost	6,700.00
2063 · Depreciation SL MM 39.0 yr	-1,213.00
Total Roof 1996	5,487.00
Improvements 1998	••
2065 Cost	67,107.82
2067 Depreciation SL MM 39.0 yr	-7,673.00
Total Improvements 1998	59,434.82
Improvements 1999 2069 · Cost	. 01 004 04
2071 Depreciation SL MM 39.0 yr	91,901.21 -10,504.00
Total Improvements 1999	81,397.21
Improvements 2000	·
2073 · Cost	224,434.86

# Austin & Austin Company Balance Sheet As of December 31, 2003

	Dec 31, 03
2075 Depreciation SL MM 39.0 yr	-13,188.00
Total Improvements 2000	211,246.86
Improvements 2001 2077 · Cost 2079 · Depreciation SL MM 39.0 yr	139,049.76 -8,170.00
Total Improvements 2001	130,879.76
Improvements 2002 2081 · Cost 2083 · Depreciation SL MM 39.0 yr	14,892.09 -589.00
Total Improvements 2002	14,303.09
Improvements 2003 2085 · Cost 2087 · Depreciation	32,877.31 -457.00
Total Improvements 2003	32,420.31
Total Real Estate	595,485.13
Total Fixed Assets	595,485.13
Other Assets Legal Fee - Refinance 1986 2104 Cost 2106 Amortization 19.0 yr	1,639.00 -1,548.00
Total Legal Fee - Refinance 1986	91.00
Office Equipment Dell Computer 020221 2210 Cost 2212 Depreciation	1,297.44 -861.00
Total Dell Computer 020221	436.44
Disc Drive 010414 2206 · Cost 2208 · Depreciation	216.14 -154.00
Total Disc Drive 010414	62.14
Cellphone 031101 2234 · Cost 2236 · Depreciation	169.58 -97.00
Total Cellphone 031101	72.58
Dell Computer 030707 2222 · Cost 2224 · Depreciation	1,073.78 -644.00
Total Dell Computer 030707	429.78
Scanner 030910 2230 · Cost 2232 · Depreciation	188.87 -114.00
Total Scanner 030910	74.87
Digital Camera 021121 2214 · Cost 2216 · Depreciation	265.00 -151.00
Total Digital Camera 021121	114.00
Shredder 030524 2218 · Cost 2220 · Depreciation	111.81 -64.00
Total Shredder 030524	47.81
Fax 030826 2226 · Cost	70.48

01/28/07 Accrual Basis

# Austin & Austin Company Balance Sheet As of December 31, 2003

			Dec 31, 03	
2228 · Depreciation		•	-42.00	•
Total Fax 030826			28.4	8 .
Total Office Equipment				1,266.10
Signage 2108 · Cost 2110 · Depreciation		,	132.5	0
Total Signage	* .		-176.0	-43.50
Total Other Assets				1,313.60
TOTAL ASSETS		~		
LIABILITIES & EQUITY			60	1,721.89
Liabilities Current Liabilities Accounts Payable 3000 · Accounts Payable	•			859.55
Total Accounts Payable				859.55
Total Current Liabilities				859.55
Long Term Liabilities Loans Payable 3004 · Rub-A-Dub Amortized Loan 3006 · Frank Stramaglia Amortized	Loan		94,776.00 11,637.44	
Total Loans Payable				: 6,413.50
Mortgages Payable First Morris Bank 3502 · 10084002 3504 · 10084003 3506 · 10084004		1	6,599.84 9,712.85 !3,363.07	
Total First Morris Bank			59,675.76	i.
Total Mortgages Payable				•
Security Deposits Payable 3602 · New Image Cleaners 3604 · The Fish Market 3606 · Conroy's Bridal Showcase 3608 · Cardio Care Fitness Center 3610 · Mane Ambiance Hair Salon 3612 · Curves for Women 3614 · State Farm Insurance 3616 · Conroy's Florist			7,488.97 3,200.00 3,626.66 3,828.00 3,328.00 3,648.00 4,402.67 2,000.00	
<b>Total Security Deposits Payable</b>			31	,522.30
Total Long Term Liabilities			. 197	,611.56
Total Liabilities			198	471.11
Equity Capital Accounts Peter S. Austin 4002 · Equity		14(	0,661.23	
Total Peter S. Austin			140,661.23	
William E. Austin Trust 4006 · Equity		101	2,661.23	
Total William E. Austin Trust	•	122	122,661.23	
Total Capital Accounts .			263	322.46
Net Income	•	***		928.32

6:46 ÅM
 01/28/07
 Accrual Basis

# Austin & Austin Company Balance Sheet As of December 31, 2003

Dec 31, 03

Total Equity

403,250.78

**TOTAL LIABILITIES & EQUITY** 

601,721.89

### Department of the Treasury Internal Revolue Service U.S. Return of Partnership Income

2002

				► Se	e separate instructio	ns.	* .		IRS use only -	- Do	not write	or sta	ple in this space.
For calendar year 2002, or tax year beginning , 2002, and ending , 20								OMB No.1545-0099					
A F	rinci	ipal bus	siness activity		Name of partnership							D	Employer identification
RENTAL REALTY  Use the IRS PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PTR					59-2266760								
<b>B</b> F	rinci	pal pro	duct or service	Other-	Number, street, and room	or suite number. If	a P.O. box, see in	struction	<b>s</b>			Ε	Date business started
REN	<u> </u>	)		wise, print	P.O. BOX 29							03/24/82	
C	3usin	ess coo	de number	or type.	City or town			. 9	State ZIP code				Tutal assets (see instrs)
531	10	0			MORRIS PLAIN	S ·			NJ 07950	- 0	029	\$	612,817.
G	Chec	ck ap	plicable boxes	i: (1)	Initial return (2)		(3) Name	change					
							(3) Othe		ecify)		onunge	()	/ / Allichada Tetarii
1 1	Num	ber o	f Schedules K	(-1. Attach c	X Cash (2) one for each person v	who was a partr	ner at any time	e durin	ig the tay year	·			2
Caut	ion	: Incl	ude only trade	or busines	s income and expens	ses on lines 1a	through 22 he	low S	ee the instruc	tion	s for m	ore i	nformation 2
	$\exists$							1		.,0,,,	10, 77	0,0,	mormation.
		1 a	Gross receipt	e or eales				, ,	,				
											III		
ı	ı	U	ress termins :	anu anowan	ices			1 b				1c	·
N	- 1	-	O4 -4		and a fire of							- 1	
N C O		2	Cost of goods	sola (Sche	edule A, line 8) e 2 from line 1c						· · · · ·	2	·
M	- 1	3	Gross profit.	Subtract line	e 2 from line 1c	i			• • • • • • • • • • • • •			3	
E		4	Ordinary inco	me (loss) fr	om other partnership	s, estates, and	trusts						• ,
												4	
		5	Net farm profi	it (loss) <i>(att</i>	tach Schedule F (Fori	n 1040))						5	
		6	Net gain (loss	) from Form	n 4797, Part II, line 1	8						6	
		7	Other income	(loss)								. [	,
•	- }		(attach sched	lule)	· · · · · · · · · · · · · · · · · · ·							7	•
	1										_		· · · · · · · · · · · · · · · · · · ·
		8	Total income	(loss). Com	nbine lines 3 through	7						8	4
	s												
	E	9	Salaries and	wages (othe	er than to partners) (l	ess employmen	it credits)					9	
	d				partners							10	······································
	N S				· •							11	
Ē	Ť R											2	
D	ii l											3	<u> </u>
C	Ť											4	
Т (	ó١	15	Interect									5	
	~				attach Form 4562)						h7-4-	-	
N	٠,												
S	R				d on Schedule A and							6c	
					oil and gas depletion							7	<u> </u>
,												8	
. 1	T 1	19 1	mployee ben	efit progran	ns						/1	9	
			Other deduction										
	1 1	. (	(attach schedi	ule)			• • • • • • • • • • • • • • • • • • • •				2	0	
!	Ň									~			
	1	21 1	Total deduction	ns. Add the	amounts shown in t	he far right colu	ımn for lines 9	through	gh 20		2	1	
					•								
		22 (	Ordinary inco	me (loss) fr	om trade or business	activities. Sub	tract line 21 fr	om line	e 8		. 2	2	
			Under penalties	of periury I o	declare that I have examine	ed this return inclu	dina accompanyin	n cchad	ulae and etatomo	nto o	nd to the	hest	of my knowledge and
			pener, it is true	e, correct, and (	complete. Declaration of p	reparer (other than	general partner o	r limited	l liability compan	y mei	nber) is	based	on all information of
Sign which preparer has any knowledge.													
Signature of general partner or limited liability company member  Date				М	ay the	IRS discuss this return							
				(s	in ine								
			Proposas's	$\nearrow$	1172		Date/ /				Prena	rer's f	SSN or PTIN
Preparer's signature			11.4	3/1/17 Check if self			1 '						
Preparer's Firm's name HALL & HOLDEN, for yours if					& HOLDEN D	C:	711102	e	mployed	Щ	IPUC	1216	5550
Use Only   (or yours if self-employed),   P. Ø. BOX 1427   EIN ▶ 03-							0240707						
						U3 -	0349737						
			- Code	MWTI	<b>ン</b> レ I E F D		VT	056	13	Pho	ne no		

Form 1065 (2002) PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PTR 59-2266760	Page 2
Schedule A Cost of Goods Sold (see instructions)	
1 Inventory at beginning of year 2 Purchases less cost of items withdrawn for personal use 2 3 Cost of labor 3 4 Additional section 263A costs (attach schedule) 4	
5 Other costs (attach schedule)  6 Total. Add lines 1 through 5  7 Inventory at end of year  8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2  9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3 (ii) Lower of cost or market as described in Regulations section 1.471-4 (iii) Other (specify method used and attach explanation)  b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  If 'Yes', attach explanation	Yes No
Schedule B Other Information	
1 What type of entity is filing this return? Check the applicable box:  a X Domestic general partnership b Domestic limited partnership  c Domestic limited liability company d Domestic limited liability partnership  e Foreign partnership f Other  2 Are any partners in this partnership also partnerships?  3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment	Yes No
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If 'Yes,' see Designation of Tax Matters Partner below	
<ul> <li>5 Does this partnership meet all three of the following requirements?</li> <li>a The partnership's total receipts for the tax year were less than \$250,000;</li> <li>b The partnership's total assets at the end of the tax year were less than \$600,000; and</li> <li>c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.</li> <li>If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1</li> </ul>	x
<ul> <li>Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See instructions</li> <li>Is this partnership a publicly traded partnership as defined in section 469(k)(2)?</li> <li>Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?</li> <li>At any time during calendar year 2002, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country</li> </ul>	X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520. See instructions	- ·
Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described in the instructions under <b>Elections Made By the Partnership</b>	X
12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶	
Designation of Tax Matters Partner (see instructions)  Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:  Name of	
designated TMP ▶ number of TMP ▶  Address of	
PTPA0*12 12/27/02 Fi	orm 1065 (2002) .

	(a) Distributive share items	7	b) Total amount
	Ordinary income (loss) from trade or business activities (page 1, line 22)		o) Total amount
	2 Net income (loss) from rental real estate activities (attach Form 8825)		100 704
	3a Gross income from other rental activities		108,704
		-	
	b Expenses from other rental activities (attach sch) 3b		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a		
	4 Portfolio income (loss): a Interest income		170
Income	<b>b</b> Ordinary dividends		
(Loss)	c Royalty income		
	d Net short-term capital gain (loss) (attach Schedule D (Form 1065))		
	e (1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4e (1)	
	(2) 28% rate gain (loss) . Language (3) Qualified 5-year gain . Language	<b>基果种</b>	批准部件的表现的流
	f Other portfolio income (loss) (attach schedule)	. 4f	
	5 Guaranteed payments to partners		36,000
	6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	. 6	
	7 Other income (loss)	7	
	8 Charitable contributions (attach schedule)	8	
Deduc-	9 Section 179 expense deduction (attach Form 4562)	. 9	
tions	10 Deductions related to portfolio income (itemize)	. 10	
	11 Other deductions		
	12a Low-income housing credit:	4 []	
•	(1) From partnerships to which section 42(j)(5) applies	12a (1)	
Credits	(2) Other than on line 12a(1)	12a (2)	
	<b>b</b> Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	. 12b	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	. 12 c	
	d Credits related to other rental activities		
	13 Other credits	. 13	•
Invest-	14a Interest expense on investment debts		
ment Interest	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above		170.
	(2) Investment expenses included on line 10 above	14b (2)	<u></u>
Self-	15 a Net earnings (loss) from self-employment		36,000.
Employ- ment	<b>b</b> Gross farming or fishing income		
	c Gross nonfarm income	15 c	
Adjust-	16a Depreciation adjustment on property placed in service after 1986		52.
ments and Tax	<b>b</b> Adjusted gain or loss	16 b	
Prefer-	c Depletion (other than oil and gas)	16 c	
ence	d (1) Gross income from oil, gas, and geothermal properties	16d (1)	
Items	(2) Deductions allocable to oil, gas, and geothermal properties	16 d (2)	
<del></del>	e Other adjmnts & tax pref items		0.
	17 a Name of foreign country or U.S. possession		
	Gloss income from all sources	17b	
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		,
	(1) Passive (2) Listed categories (attach sch) (3) General limitation	17d (3)	
Foreign Taxes	e Deductions allocated and apportioned at partner level:		
iaxes	(1) Interest expense (2)Other	17e (2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive (2) Listed categories (attach sch) (3) General limitation	17f (3)	•
	g Total foreign taxes (check one): ► Paid Accrued	17g	
	h Reduction in taxes available for credit (attach schedule)	17h	
	18 Section 59(e)(2) expenditures: a Type > b Amount >	18b	
-	19 Tax-exempt interest income	19	
	20 Other tax-exempt income	20	
Other	21 Nondeductible expenses	21	879.
	22 Distributions of money (cash and marketable securities)	22	39,000.
	23 Distributions of property other than money	23	39,000.
	Other items and amounts required to be reported separately to partners		
BΔΔ	(attach schedule)		

An	alysis of N	et Income (Loss)								,,,,,,,	220010	, o , , rage
1	Net income	(loss). Combine Sche	dule K, lines	1 through	h 7 in colu	ımn (	(b). Fror	n the result, sul	btract	the		
	sum of Sch	edule K, lines 8 throug	gh 11, 14a, 1	7g, and 1	8b		· · · · · · · · · · · · · · · · · · ·		<del></del>	· · · · · · · · · · · · · · · · · · ·	1	144,874
2	Analysis by partner type:	(i) Corporate	(ii) Indivi (activ		(iii) Ind (pas	dividu sive)		(iv) Partnersh	iip		xempt nization	(vi) Nominee/Other
	a General partners		90	,437.	<u>-</u>					12.112	•	54,437
	b Limited partners							***************************************			· · · · · · · · · · · · · · · · · · ·	34,457
		., М-1 and M-2 are по		Question	5 of Sched	dule l	B is ans	wered 'Yes.'				<del></del>
Scl	nedule L	Balance Sheets pe	er Books		Begir	ining	of tax y	ear			End of	tax year
•		Assets	•		(a)			(b)		(c)		(d)
1				i in ins	lichilitae:			3,583.				30,355
2	a Trade notes	and accounts receiva	able						.[			
		nce for bad debts		18 Co. 16 Car Car	Transistate arrange arrange	noribuse	ļ					
3				The second of				1	<b>.</b>			
4	U.S. govern	ment obligations		101	Wall it							
5	•	securities		1	la i Sepri filhi							
6		ssets (attach schedule)										
7	Mortgage ar	nd real estate loans						···				
8		nts (attach schedule)										
		nd other depreciable as								/5	5,/38.	
		ulated depreciation			183,5	00.	Description (Day	556,519.			2 <u>,194.</u>	554,544.
		assets							<u> </u>			
		ulated depletion			DOTTO PRODUCTION OF THE	nusana)						
		any amortization)			是理問問情		Learn Thorse	27,741.				
	-	ssets (amortizable onl		<b> </b>							1,639.	
		ulated amortization .			1,3	76.		263.		114 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V. 124 V	1,462.	177.
		s (attach schedule)	,	19. (Enth-of-9) (Ch. 3)								
14			• • • • • • • • • • • • • • • • • • • •				ariennia are	<u>588,106.</u>				612,817.
1.00		ibilities and Capital				NH.		脚脚的割件用				
15		yable				Tijija) Sijeerie						
16		es, bonds payable in less that	• •					<u>131,363.</u>				124,853.
17		abilities <i>(attach sch)</i> L.r.		Billion - 10 (2008) 1 (1)								5,523.
18		irse loans						· · · · · · · · · · · · · · · · · · ·				
19		es, bonds payable in 1 year						132,974.				123,219.
20		(attach schedule) Lr.						26,068.				31,522.
21		pital accounts						297,701.	₩.			327,700.
		es and capital						588,106.	ratio d	a Walada si	չ Կա. Հայ <sub>թ</sub> ւ	612,817.
2CI	ieaule IVI-I	Reconciliation (	of Income	(Loss)	per Boo	I						
9.		(loss) per books Lon Schedule K, lines 1 thro		10	7,995.	6	Income on Scho	recorded on books edule K, lines 1 thou	this ye	ar not inclu	ded	
	6, and 7, not red	corded on books this year (i	itemize):			١,	a Tax-exe	mpt interest \$	uyn / (	nemize).		
						`	<b>u</b> , un ono			·		
					٠.	l _						
	Guaranteed pmt	s (other than health insuran	ıce)	3	6,000.	7	Deduction 14a. 17c	ons included on Scl g, and 18b, not chai	hedule roed ao	K, lines 1 ti	rough 11,	*
4	Expenses record	ed on books this year not in lines 1 through 11, 14a, 17g,	ncluded				year (ite	emize):	gou ay	MINIST DOOR	income this	
	18b (itemize):		, and		٠,	a	a Depre	emize): ciation\$		· <del>-</del>		
a	Depreciation	· · . \$										,
D	Travel and entertainment .	\$	Ì			_						
	See Sch M-1	\$	- <u>8</u> 79-		879.	8		nes 6 and 7				
5	Add lines 1 tl	hrough 4		14	4,874.	9	Subtraci	(loss) (Analysis of tine 8 from line 5	Net Inc	orne (Loss),	line 1).	144,874.
Sch	edule M-2	Analysis of Part	ners' Cap	ital Acc	ounts							177,014.
ı	Balance at be	eginning of year		29	7,701.	6	Distrib	utions: a Casi	h			39,000.
2	Capital contri	buted: a Cash						<b>b</b> Prop	erty		,	39,000.
		<b>b</b> Property				7	Other de	ecreases (itemize):			[	
		loss) per books		10	7,995.			·				
4	Other increases	(itemize):			_							
5	Add licas 1 "	/ariance		40	4.	. 8		nes 6 and 7				78,000.
<u> </u>	Aud lines I th	nrough 4	<u> </u>	40	5,700.	_9	Balance	at end of year. Sub	tract li	ne 8 from li	ne 5	327,700.

### Form 4562

### **Depreciation and Amortization**

OMB No. 1545-0172

67

\$24,000

\$200,000

(Including Information on Listed Property) See separate instructions. Department of the Treasury Internal Revenue Service ► Attach to your tax return. Name(s) shown on return Identifying number PETER S AND WILLIAM E AUSTIN, PTR 59-2266760 Business or activity to which this form relates Form 8825 COMMERCIAL PROPERTY, NEW. JERSEY Part Election To Expense Certain Tangible Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. Maximum amount. See instructions for a higher limit for certain businesses 2 Total cost of section 179 property placed in service (see instructions). 2 Threshold cost of section 179 property before reduction in limitation 3 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 6 (a) Description of property Listed property. Enter the amount from line 29 .... 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7....... Tentative deduction. Enter the smaller of line 5 or line 8 . . . . . . . . . 9 10 Carryover of disallowed deduction from line 13 of your 2001 Form 4562. 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11

13 Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12. Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Fa	Special Depreciation Allowance and Other Depreciation (Do not include listed property	·.)	
14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	549.
15	Property subject to section 168(f)(1) election (see instructions)		
16	Other depreciation (including ACRS) (see instructions)	16	0.
Pa	MACRS Depreciation (Do not include listed property.) (See instructions)		

Section A

	MACRS deductions for assets placed in service in tax years beginning before 2002			,651.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here			
		1111111	The man share and the state of	36696381698

(a) Classification of property	(b) Month and year placed in service	(C) Basis for depreciation (business/investment use only see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,093.	5.0 yrs	НҮ	200DB	219
c 7-year property		185.	7.0 yrs	HY	200DB	26
d 10-year property				,	,	
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental			27.5 yrs	MM	S/L	
properly			27.5 yrs	MM	S/L	
i Nonresidential real	06/02	14,892.	39 yrs	MM	S/L	207.
property		•		MM	S/L	
Section C	<ul> <li>Assets Placed in</li> </ul>	Service During 2002 To	ax Year Using the	Alternative De	preciation Syste	m
20 a Class life					S/L	
<b>20 a</b> Class life	<b>。</b> 機能10%上列線		12 yrs		S/L	
c 40-year Summary (see	.		40 yrs	MM	S/L	

Part IV	Summary	(see instructions)
---------	---------	--------------------

21	Listed property. Enter amount from line 28	21	12.
	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines		42.
	of your return Partnerships and Scorporations — see instructions	22	10 004

For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A. all of Section B. and Section C if applicable

		ns (a) through (i							•				·				
		tion A - Deprec															
24	a Do you have eviden	1	1			<u>,,,,,,</u>	X Yes	Щ	No 24	b If Ye	s,' is the	evidence	written?	<u></u>	X Yes		No
T	(a) Type of property (list vehicles first)	(b)  Date placed in service	Business/ investment use percentage	(c Cos other	tor	(busin	(e) for deprec ess/invest use only)		Rec	(f) overy riod	Me	( <b>g)</b> Ihod/ vention		(h) reciation duction	5	Elec ectio	i) cted in 179 ost
25	Special depreciused more than	iation allowance 50% in a quali	for qualified	listed pro use (see	perty pla	ced in s	service	durinç	the ta	ax year	and	25					
26	Property used r												<del>'</del>				1 - 1 - 3 - 1 - 1
	LLULAR PHONE	10/06/99	100.00		138.	7		38.	7.	00	2001	DB/HY		1	7.		
CE	LL PHONE	01/01/01	100.00		104.		1	04.	7.	00	2000	OB/HY		. 2.	5.		
27	Property used 5	0% or less in a	qualified busi	ness use	(see ins	truction	is):				!						
						<u> </u>									_[1]		
	·				<del></del>	ļ							ļ				
20	Add presunts in	and the line	25 Abb	07 5-4-		. ( 1					<u></u>	T					
28 29		column (h), line											<u> </u>	4.		Dŀri	11 42.1
23	Add amounts in	column (i), ime	26. Effer fie		B - Info						• • • • • •	· · · · · · · ·	<u> </u>	2	9		
Com o ye	nplete this section our employees, fi	n for vehicles us rst answer the q	ed by a sole puestions in S	roprietor	, partner	or oth	er 'more	than	5% o	wner.'	or relating thi	led pers	son. If yo	ou prov ose vet	ided ve iicles.	hic	les
					(a)	(	b)	T	(c)	. [	(d	)	(	e)	T	(1)	
30	during the year	investment mile: ( <b>do not</b> include tructions)	commuting		icle 1	Vehi	icle 2	V	/ehicle	3	Vehic	le 4		icle 5	Ve		le 6
31	Total commuting mi	iles driven during th	e year												1		
32		otal other personal (noncommuting) niles driven															
33		en during the ye	ar. Add				, ·										
				Yes	No	Yes	No	Ye	5 <b>!</b>	Vo _	Yes	No	Yes	No	Yes		No
34	during off-duty h	nours?															
	Was the vehicle than 5% owner		by a more n?														
36	Is another vehic personal use? .					:											
nsw	ver these question		- Questions												• mara	th.	
% o	wners or related	persons (see in	structions).				, 000		, , , C, , i	cics da	cu by		CC2 WILL	arenc	n more	เกล	11.1
37	Do you maintain by your employe	a written policy	statement th	at prohib	its all pe	rsonal u	ise of ve	ehicle	s, inch	iding c	ornmu	ting,			Yes	F	No
18	Do you maintain employees? See	a written policy	statement th	at probib	its perso	nal use	of vehic	ies e	vcent	commi	uting, t	y your				1	
	Do you treat all t						,	, (1)	, <b>v</b> ()	IJI B QW	11013				<del> </del>	+	
Ю	Do you provide r vehicles, and ret	nore than five vi	ehicles to vou	r emplov	ees, ohta	ain infor	mation	from	your e	mploye	es abo	out the t	use of the	ne	-	$\dagger$	
n	Do you meet the <b>Note</b> : If your ans	requirements co	oncerning qua	lified aut	tomobile	demons	stration	use?	(see ir	nstructi	ons)			· · · · · · · ·	######################################	II- Car	ling Signar
	VI Amort						20011011	701	11/6 60	vereu (	renicie	<b>3</b> .				1	Marie a
I Tracted II		(a)		Date am	b) nortization	<i>j</i>	(c) Amortizabl	e		(d) Code		1	e) ization	·	(f)	ion	
2	Amadination				gins	<u> </u>	amount			section	,	perio	od or intage	· f	or this ye	ai	·
2	Amortization of c	osts that begins	auring your	2002 tax	year (se	e instru	ctions):		T	•	<del></del>						
3	Amortization of												. 43			_	86.
4	Total. Add amou	ints in column (	η. See instruc	tions for	where to	report			<u></u>				44				86.
					, · FDI2	20812 12/	12/02							Fo	rm <b>45</b> 6		

### Form **8825**

### Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

Department of the Treasury Internal Revenue Service ► See instructions.
► Attach to Form 1065, Form 1065-B, or Form 1120S.

2002

PET	ER S AND WILLIAM E AUSTIN	S AND WILLIAM E AUSTIN.PTR								
	Show the kind and location of each propo			properties.		9-226676				
<u>_</u>	COMMERCIAL PROPERTY, NEW	JER:								
							· · · · · · · · · · · · · · · · · · ·			
С										
D										
•		· · · · · ·		Pre	perties					
	Rental Real Estate Income		Α	В	C		D			
2	Gross rents	2	245,691.							
	Rental Real Estate Expenses		1							
3	Advertising	3	·							
4	Auto and travel	4	341.							
5	Cleaning and maintenance	5	7,255.							
6	Commissions	6		· · · · · · · · · · · · · · · · · · ·						
7	Insurance	7	5,868.							
8	Legal and other professional fees	8	3,075.				<del></del>			
9	Interest	9	17,081.							
10	Repairs	10	133.							
11	Taxes	11	30,994.							
12	Utilities	- 12	11,762.							
13	Wages and salaries	13								
14	Depreciation (see instructions)	14	18,694.							
15	Other (list) Telephone		942.							
	Office supplies and expen		3,337.							
-	Fire service	15	163.							
	See Other Expenses Stmt		37,342.				······································			
							**********			
16	Total evapores for each accept.									
16	Total expenses for each property.  Add lines 3 through 15	16	136,987.	-		,				
17	Total gross rents. Add gross rents from li		<u> </u>				245,691			
	Total expenses. Add total expenses from		_				-136,987			
	Net gain (loss) from Form 4797, Part II, Ii		<del>-</del>			18	136,967			
	estate activities					19	•			
20 a	Net income (loss) from rental real estate partnership or S corporation is a partner	activ:t	ies from partnerships, es eficiary (from Schedule l	states, and trusts in v K-1)	vhich this,	20 a				
b	Identify below the partnerships, estates, of Attach a schedule if more space is neede	r trus				The second secon				
	(1) Name									
		<b></b> _	(2) Employer ident				•			
							* *			
						-	1			
21	Net income (loss) from rental real estate and on:	ult here	-							
	• Form 1065 or 11205: Schedule K, line	- 21	108,704							
	• Form 1065-B: Part I, line 4					4,684				
	For Paperwork Reduction Act Notice, se	e the	separate instructions		· ·	1_1_1_1(T_C	Form <b>8825</b> (200			

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, etc

OMR No. 1545-0099

2002

Department of the Treasury Internal Revenue Service

beginning

For calendar year 2002 or tax year , 2002, and ending

	identifying number	141-24-0205		Partnership's identifying number ► 59-2266760					
Partner's na	ime, address, and ZIP code	Partner No:	1	Partnership	's name, a	nddress, and ZIP code			
<b>PETER</b>	S AUSTIN			PETER	S AN	D WILLIAM E AUS	STIN.PTR		
2051	SWAINSON'S RUN	1				STIN, GEN PTR			
NAPLE	S, FL 33942			P.O. BOX 29					
				MORRIS PLAINS, NJ 07950-0029					
A This	partner is a X gen	eral partner limited pa	artner			are of liabilities (see ins			
	limited liability compa	h		None	ecourse	0. 1105111103 (300 1113	¢		
R What		partner?► INDIVIDUA	I.	Ouali	ified nor	voccurso financina	\$124,036.		
		stic or a foreign partner		Otho	meu noi	necourse mancing	124,030.		
	partner's % of: (i) Be	efore change or (ii) E		C Tay o			\$18,522.		
			•	G lax s	menter ri	egistration number .			
Pioni	snaring		.00000%	H Chec	k here if	this partnership is a pu	ublicly traded partnership		
Loss	snaring	% <u>50</u>	. 000000%	as de	tined in	section 469(k)(2)			
Owner	ship of capital	50	. 00000 %						
		return CINCINNATI, C	) H	I Chec	k applic	able boxes: (1) F	inal K-1 (2) Amended K-1		
J An	alysis of partner's cap					· · · · · · · · · · · · · · · · · · ·	<b>T</b>		
	Capital account at	(b) Capital contributed	(c) Partr	er's share	of	(d) Withdrawals and	(e) Capital account at end of		
be	ginning of year	during year	lines 3 Form 1065	5. 4, and 7 Scheduk	, e Μ-2	distributions	year (combine columns (a) through (d))		
·							(mough (a))		
	148,848.	<u> </u>	L	54	000.	39,000.	163,848.		
	(a)	Distributive share item				(b) Amount	(c) 1040 filers enter the amount in column (b) on:		
	1 Ordinary incom	e (loss) from trade or busines	s activities		1				
		rom rental real estate activities				54,352.	See Partner's Instructions for		
		om other rental activities				31,032.	Schedule K-1 (Form 1065).		
	4 Portfolio income						<del> </del> -'		
Income	1	· · · · · · · · · · · · · · · · · / · · · · · · · · · · ·				25	Schedule B, Part I, line 1		
(Loss)		nds					Schedule B, Part II, line 5		
,	ľ						1		
		capital gain (loss)					Schedule E, Part I, line 4		
		m capital gain (loss)					Schedule D, line 5, column (f)		
•		in (loss)					Schedule D, line 12, column (f)		
							Schedule D, line 12, column (g)		
		year gain					Line 5 of worksheet for Sch.D, line 29		
		me (loss) (attach schedule)				3.000	Enter on applicable in of your return		
		ments to partner			5	36,000.			
	6 Net section 123 or theft)	1 gain (loss) (other than due t	o casualty		6		See Partner's Instructions for Schedule K-1 (Form 1065).		
	7 Other income (lo	oss) (attach schedule)			7		Enter on applicable in of your return		
		ons (see instructions) (attach schedu			8		Schedule A, line 15 or 16		
Deduc-		ense deduction			. 9				
tions	10 Deductions related to	o portfolio income (attach schedule).			10		See Partner's Instructions for		
		tach schedule)			11		Schedule K-1 (Form 1065).		
	12a Low-income hou		<del></del>						
	(1) From section	n 42(j)(5) partnerships			12a(1)				
		on line 12a(1)			12a(2)		<ul> <li>Form 8586, line 5</li> </ul>		
Cua dia .	<b>b</b> Qualified rehabil	itation expenditures related to	rental real	<b>I</b>	精制量	,	' 		
Credits	estate activities				12b				
		an credits shown on lines 12a	•	111111111111111111111111111111111111111					
Ì		real estate activities			12 c		Schedule K-1 (Form 1065).		
		o other rental activities		<u>_</u>	12 d				
	13 Other credits				13				

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:				
Invest-	14a Interest expense on investment debts	14a		Form 4952, line 1				
ment	<b>b (1)</b> Investment income included on lines 4a, 4b, 4c, and 4f.		85.	See Partner's Instructions for				
Interest	(2) Investment expenses included on line 10			Schedule K-1 (Form 1065).				
0.16	15a Net earnings (loss) from self-employment	1	36,000.	Schedule SE, Section A or B				
Self- employ-	<b>b</b> Gross farming or fishing income	<u> </u>	30,000.	See Partner's Instructions for				
ment	c Gross nonfarm income			Schedule K-1 (Form 1065).				
	16 a Depreciation adjustment on property placed in service after 1986	16 a	26.					
Adjust- ments	b Adjusted gain or loss			See Partner's				
and	c Depletion (other than oil and gas)			Instructions for				
Tax Pref-	d (1) Gross income from oil, gas, and geothermal properties	16d(1)		Schedule K-1 (Form 1065) and Instructions				
erence	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		for Form 6251.				
Items	e Other adjustments & tax preference items (attach sch)	16e	0.	SEE LINE 25				
	17a Name of foreign country or U.S. possession							
	<b>b</b> Gross income from all sources:							
-	c Gross income sourced at partner level	17c		1 1				
	d Foreign gross income sourced at partnership level:							
	(1) Passive	17d(1)		] .				
	(2) Listed categories (attach schedule)	17d(2)						
	(3) General limitation		Form 1116, Part I					
Foreign	e Deductions allocated and apportioned at partner level:	b) General limitation						
Taxes	(1) Interest expense							
	(2) Other	17e(2)						
	f Deductions allocated and apportioned at partnership level to foreign source income:							
	(1) Passive	17f(1)						
	(2) Listed categories (attach schedule)	17f(2)		<del></del> -				
	(3) General limitation	17f(3)						
	g Total foreign taxes (check one): ► Paid Accrued			Form 1116, Part II				
	h Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12.				
:	18a Section 59(eX2) expenditures: a Type ►			See Partner's Instructions for				
	b Amount	18b		Schedule K-1 (Form 1065).				
Other	19 Tax-exempt interest income	19	·····	Form 1040, line 8b				
	21 Nondeductible expenses	20	420					
	22 Distributions of money (cash and marketable securities)	22	39,000	See Partner's Instructions for				
	23 Distributions of property other than money	23	39,000.	Schedule K 1 (Form 1065).				
	24 Recapture of low-income housing credit:			<del></del> '				
	a From section 42(j)(5) partnerships	24a		Form 9611 Han 9				
	<b>b</b> Other than on line 24a	24b		Form 8611, line 8				
	25 Supplemental information required to be reported separately to each partner (attach ac		edules if more space is need	led):				
	LINE 16E - OTHER ADJ & TAX PREF ITEMS:	JUN 301	educes if more space.is need	icu).				
	PRE87 ACCEL DEPR REAL/LEASED PROP	•		0.				
	TOTAL			0.				
				<b>3.</b>				
Supple-								
mental infor-	•							
mation								
	·			•				
1								
	•			• •				
.	,							
.				•				
			•					

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, etc

OMÉ No. 1545-0099

For calendar year 2002 or tax year

Department of the Treasury Internal Revenue Service

beginning , 2002, and ending 2002

	dentifying number			Partnership's identifying number ► 59-2266760					
Partner's na	ame, address, and ZIP code	Partner No:	2	Partnership	o's name, a	iddress, and ZIP code			
WILLI	AM AUSTIN ESTA	ATE -		PETER	S AN	D WILLIAM E AUS	STIN, PTR		
119 R	IVERVIEW ROAD	,				STIN, GEN PTR			
	FIELD, VT 0567	'3		P.O. 1					
	, , , , , , , , , , , , , , , ,			MORRIS PLAINS, NJ 07950-0029					
Δ This	nartner is a Y gen	eral partner   limited pa	rtoor	F Partner's share of liabilities (see instructions):					
<del></del>	limited liability compa	· · · · · · · · · · · · · · · · · · ·	ii (i iCi	1		•	· ·		
				Nonr	ecourse		\$124,036.		
		artner? ► ESTATE		Quali	ified non	recourse financing	124,036.		
C is the	s partner a X dome	stic or a foreign partner		Othe	r	******	\$ <u>18,523.</u>		
	partner's % of: (i) Be			G Tax s	shelter re	egistration number . 🏲 _			
Profit	t sharing	<u></u> % <u>50</u>	. 00000 %				ublicly traded partnership		
Loss	sharing	<u>%</u> <u>50</u>	<u>. 00000</u> %	as de	efined in	section 469(k)(2)			
Owner	ship of capital	<sup>%</sup> <sup>50</sup>	. <u>00000</u> %						
E IRS Ce	nter where partnership filed	return: CINCINNATI, C	)H	I Chec	k applic	able boxes: (1) F	inal K-1 (2) Amended K-1		
J An	alysis of partner's cap	ital account:							
(a) (	Capital account at	(b) Capital contributed	(c) Partr	ner's share	e of	(d) Withdrawals and	(e) Capital account at end of		
	ginning of year	during year	lines 3 Form 1065	3, 4, and 7	7,	distributions	year (combine columns (a)		
			Form 1065	, Schedul	e M-2	. ,	through (d))		
	148,853.		1	. 53	,999.	39,000.	163,852.		
	(a)	Distributive share item				(b) Amount	(c) 1040 filers enter the		
	(u)	Distributive share item	•			(b) Amount	amount in column (b) on:		
	1 Ordinary income	e (loss) from trade or busines	s activities		1				
	2 Net income (loss) fr	om rental real estate activities			2	54,352.	See Partner's Instructions for		
		om other rental activities			3		Schedule K-1 (Form 1065).		
	4 Portfolio income						<del>  -</del> '		
Income	a Interest					85	Schedule B, Part I, line 1		
(Loss)	[	nds					Schedule B, Part II, line 5		
							1		
		capital gain (loss)					Schedule E, Part I, line 4		
		m capital gain (loss)					Schedule D, line 5, column (f)		
		in (loss)					Schedule D, line 12, column (f)		
		year gain					Schedule D, line 12, column (g)		
		ne (loss) (attach schedule)					Line 5 of worksheet for Sch D, line 29		
		ments to partner				<u> </u>	Enter on applicable in of your return		
•					5		G 9-4-4-1		
·	6 Net section 1231	gain (loss) (other than due t	o casualty				See Partner's Instructions for Schedule K-1 (Form 1065).		
					6		<u> </u>		
		oss) (attach schedule)			7		Enter on applicable In of your return		
Deduc-		ons (see instructions) (attach schedul			8		Schedule A, line 15 or 16		
tions	:	ense deduction		1	9		See Partner's Instructions for		
		portfolio income (attach schedule)			10		Schedule K-1 (Form 1065).		
		tach schedule)			11				
	12a Low-income hou	_							
	(1) From section	n 42(j)(5) partnerships			12a(1)				
	(2) Other than o	n line 12a(1)			12a(2)		Form 8586, line 5		
	<b>b</b> Qualified rehabil	itation expenditures related to	rental real						
Credits	estate activities				12b	· ·			
	c Credits (other that	an credits shown on lines 12a	and 12b)	Ī	P Mills HE		See Partner's Instructions for		
	related to rental	real estate activities			12 c		Schedule K-1 (Form 1065).		
		other rental activities			12 d				
					13				
						<u>_                               </u>			

	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest-	14a Interest expense on investment debts	. 14a		Form 4952, line 1
ment Interest	<b>b (1)</b> Investment income included on lines 4a, 4b, 4c, and 4f  (2) Investment expenses included on line 10		85.	See Partner's Instructions for Schedule K-1 (Form 1065).
Self-	15a Net earnings (loss) from self-employment			Schedule SE, Section Alor B
employ-	<b>b</b> Gross farming or fishing income	·		See Partner's Instructions for
ment	c Gross nonfarm income	15c		Schedule K-1 (Form 1065).
Adjust-	16a Depreciation adjustment on property placed in service after 1986	16a	26.	
ments	<b>b</b> Adjusted gain or loss	16b		See Partner's
and Tax	c Depletion (other than oil and gas)	16c		Instructions for Schedule K-1 (Form
Pref-	d (1) Gross income from oil, gas, and geothermal properties	<del></del>		1065) and Instructions
erence Items	(2) Deductions allocable to oil, gas, and geothermal properties	1.007		for Form 6251.
	e Other adjustments & tax preference items (attach sch)		0.	SEE LINE 25
	17a Name of foreign country of U.S. possession		•	-
	b Gross income from all sources			
	c Gross income sourced at partner level	_17c		- I
	d Foreign gross income sourced at partnership level: (1) Passive		•	·
	(2) Listed categories (attach schedule)			· ·
	(3) General limitation	17d(3)		1
Familia	e Deductions allocated and apportioned at partner level:			Form 1116, Part i
Foreign Taxes	(1) Interest expense	17e(1)	,	
		17e(2)		1
	f Deductions allocated and apportioned at partnership level to foreign source income:			1 1 .
	(1) Passive	17f(1)		
	(2) Listed categories (attach schedule)	171(2)		<u> </u> -
	(3) General limitation	17f(3)		
,	g Total foreign taxes (check one): ► Paid Accrued			Form 1116, Part II
<del></del>	h Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12.
	18a Section 59(e)(2) expenditures: a Type ►		· · · · · · · · · · · · · · · · · · ·	See Partner's Instructions for
	b Amount  19 Tax-exempt interest income	18b		Schedule K-1 (Form 1065).
Other	20 Other tax-exempt income			Form 1040, line 8b
i	21 Nondeductible expenses		440.	
	22 Distributions of money (cash and marketable securities)			See Partner's Instructions for Schedule K-1 (Form 1065).
	23 Distributions of property other than money	23	39,000.	Constant N 1 (1 cmi 1005).
	24 Recapture of low-income housing credit:			· ·
	a From section 42(j)(5) partnerships	24a		Form 8611, line 8
	<b>b</b> Other than on line 24a			
	25 Supplemental information required to be reported separately to each partner (attach at LINE 16E - OTHER ADJ & TAX PREF ITEMS: PRE87 ACCEL DEPR REAL/LEASED PROP TOTAL	dditional sched	fules if more space is need	0 . 0 .
Supple- mental Infor- mation				0.
İ	•		,	•
-	· ·			_

37,342.

Total

### 031031 Austin & Austin りい合いしている Profit & Loss

January through December 2002

	Jan - Dec 02
Ordinary Income/Expense	
Income 5000 · Rent	253,683.29
Interest Income 5005 · First Morris	170.40
Total Interest Income	170.40
Total Income	253,853.69
Expense	
Admin	20,000,00
Management 6700 · Bookkeeping	36,000.00 2.288.00
6706 · Professional Fees	3,075.00
6703 · Telephone	458.97
6708 · Office Supplies	315.82
6707 · Office Expense	358.53
6709 · Postage 6710 · Bank Charge	207.70 134.27
6712 · Plan Bd	1,236.93
6715 · Travel	340.61
6753 · Bad Debts	16,145.80
6702 · Cellular phone	502.13
6711 · Books	32.33
Total Admin	61,096.09
Interest Expense	0.400.05
Rub-A-Dub 6723 · Frank Stramaglia	6,163.05
Bank of America	3,989.68 104.61
Total Interest Expense	10,257.34
Mortgage Interest	
6721 · First Morris	6,823.97
Total Mortgage Interest	6,823.97
Taxes	20 002 75
6735 · Property	30,993.75
Total Taxes	30,993.75
Utilities	
6752 · Water	2,861.65
6751 · Sewer	5,891.88
6749 · Electric 6750 · Gas	1,682.83
	295.91
Total Utilities	10,732.27
6719 · Maintenance	
Company Tenant	6,436.83
6719 · Maintenance - Other	312.00 357.50
Total 6719 · Maintenance	7,106.33
6718 · Insurance	5,868.00
6730 · Owner Life Insurance	879.00
6733 · Repairs	132.50
6754 · Other Expense	19.00
6755 · Amortization	86.00
6756 · Depreciation	18,694.00
6999 · Uncategorized Expenses	0.00
Total Expense	152,688.25
Net Ordinary Income	101,165.44
Other Income/Expense	
Other Expense	

### 6:49 AM 01/28/07 Accrual Basis

# 031031 Austin & Austin Profit & Loss

January through December 2002

Suspense Total Other Expense Net Other Income Net Income	Jan - Dec 02
Suspense	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	101,165.44

# 031031 Austin & Austin UNAUSITOS Balance Sheet

As of December 31, 2002

·	Dec 31, 02
ASSETS	
Current Assets Checking/Savings	
1001 FMB Checking	4,361.69
1003 · FMB Money Market	25,992.90
Total Checking/Savings	30,354.59
Accounts Receivable	33,00
1010 · Accounts Receivable	-135.96
Total Accounts Receivable	-135.96
Total Current Assets	
Total Current Assets	30,218.63
Fixed Assets Real Estate	•
Morristown, New Jersey	•
Cost Basis 1970	
2020 · Land	27,741.00
2121 · Building	64,325.00
Total Cost Basis 1970	92,066.00
Accumulated Depreciation	
2023 SL 25.0 yr	-64,325.00
Total Accumulated Depreciation	-64,325.00
Improvements 1973 2025 · Cost	40.007.00
Accumulated Depreciation	12,337.00
2027 · S/L 15 yr	-12,337.00
Total Accumulated Depreciation	-12,337.00
Total Improvements 1973	
	0.00
Improvements 1981 2029 · Cost	18,928.00
Accumulated Depreciation	10,323.00
2031 · PRE 15.0 yr	-18,928.00
Total Accumulated Depreciation	-18,928.00
Total Improvements 1981	0.00
Improvements 1982	
2035 · Cost	37,068.00
Accumulated Depreciation	
2037 · PRE 15.0 yr	-37,068.00
Total Accumulated Depreciation	-37,068.00
Total Improvements 1982	0.00
Pavement 1982	
2039 · Cost	450.00
Accumulated Depreciation 2041 · S/L 5 yr	450.00
•	-450.00
Total Accumulated Depreciation	-450.00
Total Pavement 1982	0.00
Improvements 1983	
2043 · Cost	2,472.00
Accumulated Depreciation 2045 PRE 15.0 yr	-2 472 00
•	-2,472.00
Total Accumulated Depreciation	-2,472.00
Total Improvements 1983	0.00
Immun	

Improvements 1992

### 6:52 AM

01/28/07 **Accrual Basis** 

### 031031 Austin & Austin **Balance Sheet**

As of December 31, 2002

Dec 31, 02 2051 · Depreciablle Cost 8.636.91 **Accumulated Depreciation** 2053 · SL MM 31.5 yr -2,851.00 **Total Accumulated Depreciation** -2,851.00 **Total Improvements 1992** 5,785.91 Tank Removal 1992 2055 · Depreciable Cost 54,009.24 **Accumulated Depreciation** 2057 · SL MM 20.0 yr -26,714.57 **Total Accumulated Depreciation** -26,714.57 Total Tank Removal 1992 27,294.67 HVAC/VIP Carrier 1994 2059 · Depreciable Cost 2,047.50 **Accumulated Depreciation** 2061 · SL MM 39.0 yr -466.00 **Total Accumulated Depreciation** -466.00 Total HVAC/VIP Carrier 1994 1,581.50 Improvements 1995 2066 · Depreciable Cost 5,459.00 Accumulated Depreciation 2068 · 200 DB HY 7.0 yr -5.459.00 **Total Accumulated Depreciation** -5,459.00 Total Improvements 1995 0.00 Tank Removal 1995 2070 · Depreciable Cost 1,981.00 **Accumulated Depreciation** 2072 · SL MM 20.0 yr -807.00 **Total Accumulated Depreciation** -807.00 Total Tank Removal 1995 1,174.00 **Roof 1996** 2074 · Depreciable Cost 6,700.00 **Accumulated Depreciation** 2075 SL MM 39.0 yr -1,040.00 **Total Accumulated Depreciation** -1,040.00 **Total Roof 1996** 5,660.00 Improvements 1998 2076 · Dedpreciable Cost 67,107.82 **Accumulated Depreciation** 2077 · SL MM 39.0 yr -5,952.00 **Total Accumulated Depreciation** -5,952.00

### **Total Improvements 1998**

Improvements 1999 2087 · Depreciable Cost **Accumulated Depreciation** 2088 · SL MM 39.0 yr

**Total Accumulated Depreciation** 

### **Total Improvements 1999**

Improvements 2000 2094 · Depreciable Cost **Accumulated Depreciation** 

61,155.82

91,901.21

-8,148.00

-8,148.00

83,753.21

224,434.86

### 6:52 AM

01/28/07 Accrual Basis

### 031031 Austin & Austin Balance Sheet As of December 31, 2002

Dec 31, 02

216.14

•	Dec 31, 02
2095 · SL MM 39.0 yr	-7,433.00
Total Accumulated Depreciation	-7,433.00
Total Improvements 2000	217,001.86
Improvements 2001 2001 · Depreciable Cost Accumulated Depreciation	139,049.76
2003 · SL MM 39.0 yr Total Accumulated Depreciation	-4,605.00 -4,605.00
Total Improvements 2001	134,444.76
Improvements 2002 2004 Depreciable Cost	15,040.49
Accumulated Depreciation 2006 SL MM 39.0 yr	-207.00
Total Accumulated Depreciation	-207.00
Total Improvements 2002	14,833.49
Legal Fee - Refinance 1986 2047 · Depreciable Cost Accumulated Amortization	1,639.00
2049 · Amort 19.0 yr  Total Accumulated Amortization	-1,462.00
	-1,462.00
Total Legal Fee - Refinance 1986 Signage 2002	177.00
2008 · Depreciable Cost 2010 · Accumulated Depreciation	265.00 -223.00
Total Signage 2002	42.00
Total Morristown, New Jersey	580,645.22
Total Real Estate	580,645.22
Office Equipment Cellular Phone 1/1/01 2098 · Cost 2099 · Accumulated Depreciation	104.27 -40.00
Total Cellular Phone 1/1/01	64.27
Cellular Phone 10/6/99 2078 · Cost	137.79
Total Cellular Phone 10/6/99	137.79
Cellular Phone 12/01/97 2086 · 200 DB HY 7.0 yr	-54.00
Total Cellular Phone 12/01/97	-54.00
Cellular Phone 1996 Accumulated Depreciation 2079 200 DB HY 7.0 yr	-41.00
Total Accumulated Depreciation	-41.00
Total Cellular Phone 1996	-41.00
Computer 2/1/00 2096 · Depreciable Cost 2097 · Accumulated Depreciation	2,151.03 -1,531.00
Total Computer 2/1/00	-1,331.00
Disc Drive 4/14/01	246.44

2104 · Cost

### 031031 Austin & Austin Balance Sheet As of December 31, 2002

	Dec 31, 02
2105 · Accumulated Depreciation	-112.00
Total Disc Drive 4/14/01	104.14
Dell Computer 2/21/02 Depreciable Cost	1,297.44
Total Dell Computer 2/21/02	1,297.44
Digital Camera 11/21/02 Depreciable Cost	265.00
Total Digital Camera 11/21/02	265.00
Disc Drive 11/9/99	
2089 · Cost 2090 · Accumulated Depreciation	180.19 -149.00
Total Disc Drive 11/9/99	31.19
Fax 1/28/01 2100 · Cost 2101 · Accumulated Depreciation	148.39 -77.00
Total Fax 1/28/01	71.39
Scanner 11/24/99 2091 · Cost 2092 · Accumulated Depreciation	137.77 -114.00
Total Scanner 11/24/99	23.77
Shredder 2/26/01 2102 · Cost 2103 · Accumulated Depreciation	35.78 -19.00
Total Shredder 2/26/01	16.78
2108 · Dell Computer 2109 · Accumulated Depreciation	-571.00
Total 2108 Dell Computer	-571.00
Total Office Equipment	1,965.80
Total Fixed Assets	582,611.02
TOTAL ASSETS	612,829.65
LIABILITIES & EQUITY Liabilities	
Current Liabilities Accounts Payable 3000 · Accounts Payable	240.82
Total Accounts Payable	240.82
Credit Cards Bank of America	5,523.38
Total Credit Cards	5,523.38
Other Current Liabilities Peter Austin Loan	11,327.46
<b>Total Other Current Liabilities</b>	11,327.46
Total Current Liabilities	17,091.66
Long Term Liabilities	
Loans Payable 3003 · Rub-A-Dub Loan 3511 · Frank Stramaglia	113,525.59 33,404.05
Total Loans Payable	146,929.64
Mortgages Payable First Morris Bank	
•	

### 6:52 AM

01/28/07 **Accrual Basis** 

### 031031 Austin & Austin **Balance Sheet** As of December 31, 2002

Dec 31, 02 3509 - 10084002 26,215.15 3512 - 10084003 34,439.59 3510 - 10084004 29,160.52 **Total First Morris Bank** 89,815.26 Total Mortgages Payable 89,815.26 Security Deposits Payable 3501 · New Image Cleaners 7,488.97 3506 · The Fish Market 3,200,00 3508 · Conroy's Bridal Showcase 3,626.66 3507 · Cardio Care Fitness 3,828.00 3504 · Mane Ambiance 3,328.00 3502 · Curves for Women 3,648.00 3503 · State Farm Insurance 4,402.67 3505 · Conroy's Florist #8 2,000.00 **Total Security Deposits Payable** 31,522.30 **Total Long Term Liabilities** 268,267.20 **Total Liabilities** 285,358.86 Equity **Capital Accounts** Peter S. Austin 4002 · Equity 152,152,68 4003 · Drawing -39,000.00 **Total Peter S. Austin** , 113,152.68 William E. Austin 4005 · Equity 152,152.67 4006 · Drawing -39,000.00 Total William E. Austin 113,152.67 **Total Capital Accounts** 226,305.35 **Net Income** 101,165.44 **Total Equity** 327,470.79 **TOTAL LIABILITIES & EQUITY** 

612,829.65

Form **1065** 

Department of the Treasury Internal Revenue Service
U.S. Return of Partnership Income

•			14	► Se	e separate	instructi	ons.			IRS	use only"-	Do not wr	ite or staj	ole in this s	расе.	
For	calen	dar	/ear 2001, or	rtax year b	eginning	,	, 2001, ai	nd ending		, 20				O	MB No.15	545-0099
					Name of Parti		1/1/ / 7 / 14	F AUCTI	u oto					Employer id Number	Jentificat	ion
				IRS	PETER S	S AUST	TIN, GEN	PTR					59	-22667	760	
<b>B</b> F	rincipa	Interest New   Interest   Inter				E	Date Busin	ess Start	ed							
REN	Calendar year 2001, or tax year beginning   2001, and ending   200		03.	/24/82	<u>)</u>											
CE	usines	s Cod	e Number		City or Town					State	ZIP Code		F	Total Asset	ts (see in	strs)
531	100	1			MORRIS	PLAIN	15		*	NJ	07950	-0029	1 \$	•	588.	,106.
			licable boxe	s: (1)				(3)	Name chang					Ami	ended re	
				` ' ,	_	· \-/	<b></b>	, ,		•	, <del></del>			~		•
							<u></u>		y time di	uring t	the tax ye	ear		<b>-</b>		3
															ation.	
											`					
		1a (	Gross receipt	ts or sales					. 1a							
		ЬL	ess returns	and allowa	nces				1b		•		1 c			
Į N																
N C O		2 (	Cost of goods	s sold (Sch	edule A, line	e 8)				<b></b>			2			
	- 1												3			
M E		4 (	Ordinary inco	me (loss) f	rom other p	artnersh	ips, estates,	and trusts								
													4		·	
	ļ												5			
		6 1	Net gain (los:	s) from For	m 4797, Par	t II, line	18						6			
					,								7			
	ŀ	•				-										
	_	8 T	otal income	(loss). Cor	mbine lines	3 throug	h 7		• • • • • • • • • • • • • • • • • • • •				8			
	S E	• •		7.11			4									•
	1 .															
	Ň			•												
_	Ť l		•												<del></del>	
E D	ii l												<del> </del>			
Ū.	Ť									•			<del>                                     </del>			
C T													14	<u>.</u>		
i	й   Т	5 11	nterest										15			
0	3   1	6a 🗅	epreciation	(if required	, attach Forr	n 4562)			16a	Ĺ						
N S	6	ЬL	ess deprecia	ation report	ed on Sched	dule A ar	nd elsewhere	on return	16b	٠			16c			
_	R   1	<b>7</b> D	epletion (Do	not deduc	t oil and ga	s depleti	on.)						17			
	្រៃ 1	8 F	etirement pl	ans, etc									18			
. !	M 1												19			
	T				•		•						7			
	T   2					•							20			
	Ö	•														
	S 1	1 T	otal deducti	ons. Add th	ne amounts	shown ir	n the far righ	t column for I	lines 9 th	rough	20		21			
														, ,		
	2:	2 C	rdinary inco	me (loss)	from trade o	r busine	ss activities.	Subtract line	21 from	line 8		· · · · · · · · ·	22			
	L					laration of	preparer (other	than general par	tner or limi	ted liabi	ility compar	ıy member	) is base	d on all inf	ormation	of
Sigr	)		winch prepare	i ilas atty kilot	vieuge.											
Here	3		<b>&gt;</b>					•		<b>•</b>			with the	IRS discus preparer si	s this reti hown bei	urn ow
			Signature	of General Par	tner or Limited L	iability Cor	mpany Member			Da	ite		(see ins	tis)?	Yes	No
			Pranararia	7/17					;			Р	reparer's	SSN or PTI		1 1 1 1 1 1
n.:			Signature	CMM	儿人人			3/21	loi	Check employ		. 🔲 🖟	0021	5551		
Paid	  -	برأد	Firm's Name	HAL	L & HOLE	DEN P.	ſ	11		embio	,	<del> </del>	3021	1001		<del></del>
rrep	oarer Only	i 5i V	(or yours if self-employed)				<u> </u>	<del></del>				EIN	<b>►</b> ∩ ⊃	02/07	27	
J36	J.111	y	Address, and ZIP Code		TSFIELD	· · · · · · · · · · · · · · · · · · ·			/T OF	673		EIN		03497 (2) 49		40
			1 0 000	W∖\I	IJLIEFN			,	VT 05	ひょう		Phone No	s, (ōU	49	0-314	4 U

For	m 1 <mark>065</mark> (2001) PETER S AND WILLIAM E AUSTIN, PTR PETER S AUSTIN, GEN PTR 59	<u>-226</u>	6760		Page 2
Sc	hedule A Cost of Goods Sold (see instructions)				
1	Inventory at beginning of year.	1			
2		2	•		
3	Cost of labor	3			
4	Additional Section 263A costs (attach schedule):	4			
		<del></del> +			-
5	Other costs (attach schedule)	_			
_	,	5	<u> </u>		
6		6	· · · · · · · · · · · · · · · · · · ·	-	
7		7			
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	. 8			
9	a Check all methods used for valuing closing inventory:				
	(i) Cost as described in Regulations Section 1.471-3				
	(ii) Lower of cost or market as described in Regulations Section 1.471-4				
	(iii) Other (specify method used and attach explanation)				
	b Check this box if there was a writedown of 'subnormal' goods as described in Regulations Section 1.471-2(c)			▶	Ī <b>-</b> - :
	c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form			-	
	d Do the rules of Section 263A (for property produced or acquired for resale) apply to the partnership?			es -	No
	e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?		<del></del>	es –	No
	If 'Yes', attach explanation		•	L	1110
5c	hedule B Other Information		· · · · · · · · · · · · · · · · · · ·		
1	What type of entity is filing this return? Check the applicable box:			Yes	No
				163	NO
	Domestic limited liability company d Domestic limited liability partnership				
_	e ☐ Foreign partnership f ☐ Other ►			-	
2	Are any partners in this partnership also partnerships?				X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign was disregarded as an entity separate from its owner under Regulations Sections 301.7701-2 and 301.7701-3? instructions for required attachment	entity If yes,	that see		×
4	Is this partnership subject to the consolidated audit procedures of Sections 6221 through 6233? If 'Yes,' see Do of Tax Matters Partner below	signa	tion		Х
5	Does this partnership meet all three of the following requirements?		_		
	The partnership's total receipts for the tax year were less than \$250,000;	-			
ı	The partnership's total assets at the end of the tax year were less than \$600,000; and				
(	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including exter for the partnership return.	isions)			
,	If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065 item J on Schedule K-1	·		X	
6	Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See instructions				X
7	Is this partnership a publicly traded partnership as defined in Section 469(k)(2)?		4		_X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?				X
9	At any time during calendar year 2001, did the partnership have an interest in or a signature or other authority a financial account in a foreign country (such as a bank account, securities account, or other financial account). See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country.	over ?	•		X
	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a fill 'Yes,' the partnership may have to file Form 3520. See instructions.				X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax If 'Yes,' you may elect to adjust the basis of the partnership's assets under Section 754 by attaching the statem described in the instructions under Elections Made by the Partnership	year? ent			X
12	Enter the number of Forms 8865 attached to this return ►				
	ignation of Tax Matters Partner (see instructions) r below the general partner designated as the tax matters partner (TMP) for the tax year of this return:				·
lam Deşi	e of Identifying nated TMP ► Identifying Number of TMP ►	:			
	ess of				
esi	gnated TMP				
	PTPA0112 12/03/01		Form	1065 (	2001)

	(a) Distributive share items	(	o) Total amount
	1 Ordinary income (loss) from trade or business activities (page 1, line 22)		
	2 Net income (loss) from rental real estate activities (attach Form 8825).		67,383
	3a Gross income from other rental activities		01,303
	b Expenses from other rental activities (attach sch) 3b	-	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4. Portfolio income (loss): a Interest income		4.1
•		4a	41.
Income	b Ordinary dividends	4b	· · · · · · · · · · · · · · · · · · ·
(Loss)	c Royalty income	4c	
	d Net short-term capital gain (loss) (attach Schedule D (Form 1065)).		·
	e (1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))		
	(2) 28% rate gain (loss) . Land (3) Qualified 5-year gain		
-	f Other portfolio income (loss) (altach schedule).	4f	
	5 Guaranteed payments to partners		16,000.
	6 Net Section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	
	7 Other income (loss)	7	
	8 Charitable contributions (attach schedule)	8	
Deduc-	9 Section 179 expense deduction (attach Form 4562)	9	
tions	10 Deductions related to portfolio income (itemize)	10	
	11 Other deductions	11	
	12a Low-income housing credit:		
Credits	(1) From partnerships to which Section 42(j)(5) applies	12a (1)	
	(2) Other than on line 12a(1)	12a-(2)	
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	
Invest- ment Interest	14a Interest expense on investment debts	14a	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b (1)	41.
	(2) Investment expenses included on line 10 above	14b (2)	
	15a Net earnings (loss) from self-employment	15a	16,000.
	<b>b</b> Gross farming or fishing income	15 b	
	c Gross nonfarm income	15 c	
	16a Depreciation adjustment on property placed in service after 1986	16a	426.
	b Adjusted gain or loss	16b	<u>.</u>
	c Depletion (other than oil and gas).	16c	
		16d (1)	
items	(2) Deductions allocable to oil, gas, and geothermal properties  e Other adjmnts & tax prefitems		
	17a Name of ferging country or U.S. recogning	10e	0.
	17a Name of foreign country or U.S. possession	171	
	b Gross income from all sources	17b	· · · · · · · · · · · · · · · · · · ·
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		
′	(1) Passive - (2) Listed categories (attach sch) - (3)General limitation	17d (3)	
	e Deductions allocated and apportioned at partner level:		
. uxc3	(1) Interest expense (2)Other (2)Other	17e (2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
Adjust- ments and Tax Prefer- ence Items  1  Foreign Taxes	(1) Passive (2) Listed categories (attach sch) (3)General limitation		
	g Total foreign taxes (check one): ► Paid Accrued	17g	
	h Reduction in taxes available for credit (attach schedule).	17h	
	18 Section 59(e)(2) expenditures: a Type b Amount b	18b	· · · · · · · · · · · · · · · · · · ·
	19 Tax-exempt interest income	19	
241	20 Other tax-exempt income	20	0.54
Other	21 Nondeductible expenses	21	958.
	22 Distributions of money (cash and marketable securities).	22	22,000.
	23 Distributions of property other than money	23	
	(attach schedule)		
		-a-cara-cara-aria-aria-aria-aria-aria-ar	n na marana a cara a marana a da da da da da da da da da da da da

1 Net income (loss).		ule K lines I thro	ugh 7 in colu	ıma (h) i	rom the result su	htract the		
sum of Schedule K  2 Analysis by (i)	, lines 8 through	(ii) Individual (active)	d 18b (iii) Ind	vicual	(iv) Partnership	(v) E	xempt nization	83,424 (vi) Nominee/Othe
parmer type:  a General parmers		67.759	<u> </u>			or gai	112011011	15,665
b Limited carmers		67,733.						13,663
	nce Sheets p	er Books (Not i	required if au	estion 5	on Schedule B is	answered 'Ye	s.')	
				ing of ta				tax year
As	sets		(a)		(b)	(c)		(d)
1 Cash					7,183.			3,583
2a Trade notes and ac	counts receivable	le						
bliess allowance for	bad debts							
3 Inventories								•
4 U.S. government of	oligations							
5 Tax-exempt securit		. pogosposososos						
6 Other current assets (att	ach schedule)							
<ul> <li>7 Mortgage and real</li> </ul>		10000000000000		<b>  </b>				
8 Other investments (attac								
9a Buildings and other	depreciable ass	sets	583,02	8 .		740	0,019.	
b Less accumulated of	•	<b></b>	171,91	7 .	411,111.	18:	3,500.	556,519
10a Deptetable assets .				<u>.                                    </u>			· ·	
b Less accumulated of			****************					
11 Land (net of any an					27,741.			27,741.
12a Intangible assets (a	mortizable only)		1,63				1,639.	
billess accumulated a		2000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1,29	D.	349.		.,376.	263.
13 Cher assets (attact	=	\$0,600,000,000		<u> </u>	<u> </u>			
14 Total assets					446,384.			588 <u>,</u> 106.
	and Capital							
15 Accounts payable .		b0000000000000000000000000000000000000		<b></b>				
16 Mortgages, notes, bonds		200000000000000000000000000000000000000		<b></b>	732.			131,363.
17 Giner current liabilities (a	•	· 8000000000000000000000000000000000000		<b></b>				
18 All nonrecourse loar		B0000000000000000000000000000000000000		<b></b>				
19 Mortgages, notes, bonds (	•	000000000000		<b></b>	170,176.		L	132,974.
20 Other liabilities (attach so		\$9990000000000		<b></b>	22,239.		ļ.	26,068.
21 Partners' capital acc		80000000000000		<b></b>	253,237			297,701.
22 Total liabilities and				<u></u>	446,384.			5 <b>88,106</b> .
Schedule M-1 Reco	nciliation of i	ncome (Loss) on 5 on Schedule	per Books	with In	come (Loss) p	er Return		
1 Net income (loss) pe			66,466.	'	o cocorded on backs th	in your ant inclu	4-4	
2 Income included on Sched	·		00,400.	on So	ie recorded on books th hedule K, lines 1 thoug	ns year not includ h 7 (itemize):	190	
6, and 7, not recorded on	books this year (item	iza):			xempt interest . \$_			
				7 Dedu	tions included on Sche	dule Klines 1 th	rough 11	
3 Guaranteed payments (oth	er than health insura	nce).	16,000.	14a,	17g, and 18b, not charg	ed against book	income this	
4 Expenses recorded on boo on Schedule K, lines 1 thrul 18b (itemize):	ks this year not inclu ough 11, 14a, 17g, an	id aed	1	year (	itemize):		1	
18b (itemize):	• • •			<b>a</b> Depi	eciation\$_			•
a Depreciation \$								~
b Travel and entertainment \$_		79	1	8 Add	lines 6 and 7			
See Sch M-1, Line 4		79.	958.				<b>}</b> —	
5 Add lines 1 through a	1	}	33,424.	(loss	me (loss) (Analysis ), line 1). Subtract	line 8 from I	ine 5	83,424.
Schedule M-2 Analy	sis of Partne	rs' Capital Acc		required	if question 5 on S	chedule B is	answered	'Yes.')
1 Balance at beginning	of year	2 :	53,237.		butions: a Cash			22,000.
2 Capital contributed d					<b>b</b> Property	<b>/</b>	[	
3 Net income (loss) pe			56,466.	7 Other	decreases (item:ze):		[	
4 Other increases (itemize):				Rou	ding Variance			2.
				م ۸ مام	lines 6 and 7			33 003
5 Add lines 1 through 4	<b>,</b>	71	19,703.		ee at end of year. Subtr			22,002. 297,701.
		·····	PTPA0134		- at one or year. Stipti	act mile o from th		Form <b>1065</b> (2001)

### Form **4562**

OMB No. 1545-0172

Department of the Treasury Internal Revenue Service (99)	(Ir	icluding Information  See separa  Attach this fo	on on Listed ate instructions	Property)			2001 67
Name(s) Shown on Return							· ·
PETER S AND WILLIA	M E AUSTIN, P	TR				59	1-2266760
	•	NEW TERSEY	•				
Part! Election to	Expense Certain	Tangible Property	Under Section	on 179 piete Part I			
1 Maximum dollar limitati	on. If an enterprise	zone business, see ins	tructions			1	\$24,000
						3	\$200,000
						4	
separately, see instruct	year. Subtract line 4 lons	trom line i. It zero or	less, enter -U	If married filli	ng 	5	
						st	
						-	
						<del></del>	
12 Section 179 expense de	iduction. Add lines 9	er or business income Land 10, but do not en	ter more than it	ero) or line 5	(see instrs)		
						1 12	
Note: Do not use Part II or Pa	art III below for lister	d property (automobile	s, certain other	vehicles, cellu	ular telephone	s. certi	ain computers or
property used for entertainme	ent, recreation, or an	nusement). Instead, us	e Part V for list	ted property.			,,
	reciation for Ass	ets Placed in Serv	ice Only Dur	ing Your 20	001 Tax Yea	r	
(20 1101 11,010 00		Castian A. Cananal (	A A A A I		•••		
14 If you are making the ele					and the tay ve	ar into	
or more general asset a	ccounts, check this l	box. See instructions.	assets placeu	· · · · · · · · · · · · · · · · · · ·	ing the tax ye	ai 11110	one ►
	Section B		n System (GDS	) (See instruc	tions) -		
Classification of property	(b) Month and year placed in service	(C) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method		(g) Depreciation deduction
			-				
	The property of the property o	400.	5.0 yrs	HY	20001	3	<u>80.</u>
			<u> </u>	<del></del>	<del> </del>		
			·				<del>,</del>
	100000000000000000000000000000000000000		25 Vrs		5/1		·
				MM			•
property					S/L		
i Nonresidential real	. 09/01	224,435.	39 yrs	MM	S/L		1,678.
property	103/01			MM	S/L		1,040.
		Alternative Depreciation	on System (AD	S) (See instru			
See separate in structions.   67							
			40 yrs	1 . MM	J S/L		
							8,746.
Part IV Summary (See instructions)							
				<del></del>	2		. 20
21 Total Add deductions from line	12 lines 15 and 16 in col	tumn (a) and lines 17 through	h 20 Enter here and	f on the approprie	to lines of	-	
your return. Partnerships and S  22 For assets shown above:	corporations — see instri and placed in servic	e during the current ve	ar enter		2	1	11,583.
the portion of the basis a	ttributable to Section	n 263A costs	<u> </u>	22			

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

	<del></del>	is (a) through													
	<del></del>	ion A - Depre					X Yes		No 23b II					<u> </u>	
(a)  Type of property (list ranches first)  Date placed in service  (b)  Cbusiness/investment  Investment  use		( Co	d) st or r basis	Basis	(e) for deprecess/investuse only)	ation	(f) Recovery	,	(g) Method/ Convention		(h) preciation eduction	Yes Sec	(i) Rected Ston 179		
24	Property used i	more than 50%	in a qualified	husines	S USP (SE	e instr	uctions)		1	<u> </u>	•	<u> </u>			
	LULAR PHONE		100.00	54511165	138.	1		38.	7.00	120	ODB/HY		24	ŢĖ —	
	L PHONE	01/01/01	100.00		104.	†	10		7.00		ODB/HY		15	<u>:</u>	
													<del></del>	<del>                                     </del>	
25	Property used 5	0% or less in a	qualified bus	iness us	se (see in	struction	ons):								
												•		_	
						<b>├</b> ──			 				<del> </del>	-	
25	Add amounts in	actume (b) E	tor the retail		i on line i	20 000	- 1				. 26		20	-	
	∠dd amounts in	• •											39	.	********
	ete this section or employees, fi otal business/i curing the year	nvestment mile	questions in S es driven e commuting	propriet Section ( Ver		er, or o fyou m	ther 'mo	excep	an 5% owr	mpletin		tion foi		ehicles.	
29	miles - see ins	•						<del> </del> -		<del>-,</del>					
30	Total other pers	ional (noncomn	nuting) .									.,			
31	Total miles drive	en during the ye	ear. Add												
			•	Yes	No	Yes	No	Ye	s No	Yes	No	Yes	No	Yes	No
32	Was the vehicle curing off-duty h	available for p	ersonal use			<b>-</b>									
33	Was the vehicle than 5% owner o	used primarily or related perso	by a more on?												
	is another vehic personal use?														
			C - Question							-					
Insw 1% c	er these question whers or related	ns to determine persons (see in	e if you meet a nstructions).	an excep	otion ta ci	ompleti	ing Sect	ion B	for vehicle	es used	by emplo	oyees v	who are n	ot mor	e than
<b>35</b> . !	Do you maintain Dy your employe	a written policy	statement th	iat prohi	bits all pe	ersonai	use of	vehic!	es, includi	ng com	muting,	• • • • • •		Yes	No
	Do you maintain employees? See	instructions fo	r vehicles use	d by cor	porate of	ficers,	directors	s, or	1% or mor	e owne	rs		· · · · · · · · · · · · · · · · · · ·		
37 [	Do you treat all u	use of vehic:es	by employees	as pers	sonal use	?									
,	Do you provide n vehicles, and ret	ain the informa	tion received?							ų					
1	Op you meet the Note: If your ans	wer to 35, 36, .													
art	VI Amorti					<del></del>			<del></del>	<del>.</del>	<del>. ,</del>				
	Descri	(a) ption of costs		Date arr	b) orbzation gins	,	(C) Amortizable amount	•	Co	d) de con	Amorti perio	zation d or		(f) ortization this year	
40 /	Amortization of c	osts that begin	s during your	2001 ta:	x year (se	e instr	uctions)	:				I			
					<del>,                                    </del>	T			,			1		<u></u>	<u></u>
	∸mortization of o											41			86.
12	Total. Add amou	ints in column	(f). See instru	ctions fo	or where t	o repo	<u>rt</u>					42			86.

### Form **8825**

Department of the Treasury Internal Revenue Service

### Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions.

► Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

2001

PETER S AND WILLIAM E AUSTIM		-2266760				
1 Show the kind and location of each pro			operties.			
A COMMERCIAL PROPERTY. NEW	JER	S <u>EY</u>		· <del>-</del>		
B						
C					_·	`
D						
			Prop	erties	<u>v</u>	<del></del>
Rental Real Estate Income		Α`	В	С		D
2 Gross rents	2	176,615.				
Rental Real Estate Expenses						·
3 Advertising	3	1.50.				
4 Auto and travel		313.				
5 Cleaning and maintenance	5	6,245.				
6 Commissions	6	3,439.	<del></del>			
7 insurance	7.	5,678.				
B Legal and other professional fees		4,469.				
Interest	9	14,689.		<u> </u>		
Repairs	10	27 920				·
I Taxes	11	27,820. 12,811.				·
3 Wages and salaries	13	14,011.				
Depreciation (see instructions)	14	11,583.				
Other (list) ► Telephone	<del>'                                   </del>	1,086.			- 1	
Office supplies and expen		3,560.			<del>i</del>	
Fire service	15	963.				
See Other Expenses Stmt		16,426.				
Total expenses for each property.						
Add lines 3 through 15	16	109,232				
Total gross rents. Add gross rents from I	line 2,	columns A through H	· · · · · · · · · · · · · · · · · · ·		17	176,615
Total expenses. Add total expenses from		. •				-109,232
Net gain (loss) from Form 4797, Part II, i		=				
estate activities		, u.e a.epoudon or pro		<del></del> -	19	
a Net income (loss) from rental real estate	activit	ties from partnerships, estat	es, and trusts in w	hich this		
partnership or S corporation is a partner					20a	
b Identify below the partnerships, estates,	or trus	its from which net income (lo	oss) is shown on li	ne 20a.		
Attach a schedule if more space is neede	ed:			Š		
(1) Name	•	(2) Employer identifica	tion number			
					1 1	-
	- <b>-</b> -	· <b></b>				
Net income (loss) from rental real estate and on:	activit	ies. Combine lines 17 throug	in 20a. Enter resul	t here	.  .	
• Form 1065 or 11205: Schedule K, line	2, or				21	67,383
• Form 1065-B: Part I, line 4						
A For Paperwork Reduction Act Notice, se	ee the	separate instructions.		·	<del></del>	Form 8825 (200)

Form 1065, Schedule M-1, Line 4 Sch M-1, Line 4	 		
LIFE INSURANCE PREMIUMS	879.		
Total	 879.		
Form 1065, Schedule L, Line 20 Other Liabilities			
Other Liabilities (itemize):	Beginning of tax year	End of tax year	
Security deposits	22,239.	26,068.	
Total	22,239.	26,068	
Form 8825, Page 1, Line 15 Other Expenses Stmt			
Other (list) ►       260.         Fees       260.         50% Meals       80.         Amortization       86.         Management       16,000.			
Total16,426.			,

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, Etc

OMB No. 1545-0099

2001

For calendar year 2001 or tax year beginning , 2001, and ending

Department Internal Rev	t of the Treasury venue Service	beginning	, 2001, and	dending		, 20	
Partner's	s identifying numb	er > 141-24-0205				lentifying number 🛌 🖞	59-2266760
Partner's N	ame, Address, and ZIP C	<sup>Code</sup> Partne	r No: 1	Partnership	's Name,	Address, and ZIP Code	
2051	S AUSTIN SWAINSON'S R S, FL 33942	RUN		PETER P.O. E	S AU 30X 2	D WILLIAM E AUS STIN, GEN PTR 9 INS, NJ 07950-0	,
A This	partner is a X	general partner lir	nited partner			are of liabilities:	
	limited liability co	- · · · · · · · · · · · · · · · · · · ·					\$
لــا B What	-	nis partner? ► INDI\	/IDUAL	Qual	fied nor	nrecourse financing	132,168.
		mestic or a foreign		Other	г.,.,		\$13,034.
	partner's % of: (i)	Before change or termination	(ii) End of year	G Tax s	shelter r	egistration number 🛌	
Profit	sharing	50.00000%	50.00000%	H- Check	k here i	f this partnership is a p	ublicly tradec partnership
Loss	sharing	50.00000 %	50.00000% 50.00000%	as de	fined in	Section 469(k)(2)	
Owner	snip of capital	50.00000%					
		filed return: CINCINNA	TI, OH	I Chec	k applic	able boxes: (1) F	inal K-1 (2) Amended K-1
J. Ana	alysis of partner's	capital account:	· · · · · · · · · · · · · · · · · · ·			·	
	Capital account at ginning of year	(b) Capital contribi during year	uted <b>(c)</b> Partr lines 3 Form 1065	ner's share 3, 4, and 7 5, Schedul		(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
	126,61	7.		33	, 231.	11,000.	148,848.
		(a) Distributive share ite	em .			(b) Amount	(c) 1040 filers enter the amount in column (b) on:
	1 Ordinary inc	ome (loss) from trade or	business activities .		1	·	
	2 Net income (los	s) from rental real estate activit	ies		2	33,692.	See Partner's Instructions for Schedule K-1 (Form 1065).
	3 Net income (los	s) from other rental activities			3		
	4 Portfolio inci						
Income	l				4 a	20.	Schedule B, Part I, line 1
(Loss)	-	idends			4b	· · · · · · · · · · · · · · · · · · ·	Schedule B, Part II, line 5
					4c		Schedule E, Part I, line 4
		m capital gain (loss)		,	4d		Schedule D, line 5, column (f)
		term capital gain (loss).		r	4e(1)		Schedule D, line 12, column (f)
* *		e gain (loss)			4e(2) 4e(3)	•	Schedule D, line 12, column (g) Line 4 of worksheet for Sch D, line 29
		ncome (loss) (attach schedule)	*	r	46(3) 4f		Enter on applicable in of your return
	· ·	payments to partner		, , , , , , , , , , , , , , , , , , ,	5	16,000.	The of applicable in or you retern
	6 Net Section	1231 gain (loss) (other th	an due to casualty		6	10,000.	See Partner's Instructions for Schedule K 1 (Form 1065).
	•	e (loss) (attach schedule)			7		Enter on applicable In of your return
		butions (see instructions) (attack			8		Schedule A, line 15 or 16
Deduc-		expense deduction			9		
tions		ed to portfolio income (attach se		- F	10		See Partner's Instructions for Schedule K-1 (Form 1065).
	,	s (attach schedule)		F	11		Schedule Nº1 (10th 1005).
	12a Low-income					_	
	(1) From Se	ction 42(j)(5) partnership	s	[	12a(1)	<u> </u>	Farmer DEGG U F
	(2) Other tha	an on line 12a(1)		[	12a(2)		Form 8586, line 5
Credits	<b>b</b> Qualified rehabilitation expenditures related to rental real estate activities				12b		
	c Credits (othe	r than credits shown on I	ines 12a and 12b)				See Partner's Instructions for
	related to ren	ntal real estate activities.		[	12c		Schedule K-1 (Form 1065).
	d Credits relate	ed to other rental activitie	ş	[	12d		
	13 Other credits		<u> </u>		13		

	(1) Fassive	171(1)	
	(2) Listed categories (attach schedule)	17f(2)	
	(3) General limitation	17f(3)	
	g Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	17g	Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12.
	18a Section 59(e)(2) expenditures: a Type >		See Partner's Instructions for
	<b>b</b> Amount	18b	Schedule K-1 (Form 1065).
	19 Tax-exempt interest income	19	Form 1040, line 8b
Other	20 Other tax exempt income	20	<del></del>
	21 Nondeductible expenses.	21 480.	See Partner's Instructions for
	22 Distributions of money (cash and marketable securities)	22 11,000	Schedule K-1 (Form 1065).
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		<u> </u>

24a

25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):

LINE	16E	-	OTHER	ADJ	&	TAX	PREF	ITEMS:
							/ _	

**b** Other than on line 24a

a From Section 42(j)(5) partnerships.....

PRE87 ACCEL DEPR REAL/LEASED PROP

0.

U.

Form 8611, line 8

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, Etc

OMB No. 1545-0099

2001

Department of the Treasury Internal Revenue Service beginning , 2001, and ending , 20

THE PROPERTY OF	VERGE SERVICE	beginning	, 200 i, aik	a citating		, 20		
	s identifying number			Partner	ship's i	dentifying number 🕨	59-2266760	
Partner's N	lame. Address, and ZIP Code	Partner No	: 2	Partnershi	p's Name.	Address, and ZIP Code		
WILLI	AM E AUSTIN	,		PETER	S AN	ID WILLIAM E AU	STIN, PTR	
119 R	IVERVIEW ROAD			PETER	S AL	ISTIN, GEN PTR	•	
WAITS	FIELD, VT 0567	73		P.O.	BOX 2	9		
				MORRI	S PLA	INS, NJ 07950-	0029	
		neral partner 🔲 limited p	artner			are of liabilities:		
	limited liability comp			Nonr	ecourse		\$ <u></u>	
<b>B</b> Wha	t type of entity is this	partner? ► INDIVIDUA	\L	Qual	ified no	nrecourse financing	\$0.	
C is the	s partner a X dome	stic or a foreign partner	?	Othe	r		\$ 0.	
			year	G Tax	shelter i	registration number 🟲		
Proti	t sharing		0.00000 %	Į.			cublicly traded partnership	
	sharing		2.00000 %	. as de	efined in	Section 469(k)(2)		
	ship of capital		00000 %					
		return: CINCINNATI, (	DH .	I Chec	k applic	able boxes: (1) X F	inal K-1 (2) Amended K-1	
J An	alysis of partner's cap	oital account:	·					
	Capital account at	(b) Capital contributed	(c) Partr	er's shar	e of	(d) Withdrawals and	(e) Capital account at end of	
De	ginning of year	during year	lines 3 Form 1065	3, 4, and 3 Schedul	7, le M-2	distributions	year (combine columns (a) through (d))	
·	126 620		1 01111 1000					
	126,620.	<u> </u>		17	<u>,791.</u>	11,000.	133,411.	
	(a)	Distributive share item				(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
	1 Ordinary income	o (loca) from trade or busine			-		amount in column (b) on:	
•	1	e (loss) from trade or busine om rental real estate activities				18,036.	See Partner's Instructions for	
		om other rental activities			3	10,036.	Schedule K-1 (Form 1065).	
	4 Portfolio income				3		<del>                                     </del>	
Income	1				4 a	11	Schedule B, Part I, line 1	
(Loss)		nds			4b	<u> </u>	Schedule B, Part II, line 5	
				4c Schedule			Schedule E, Part I, line 4	
		capital gain (loss)					Schedule D, line 5, column (f)	
		m capital gain (loss)			4e(1)		Schedule D, line 12, column (f)	
		ın (loss)			4e(2)		Schedule D, line 12, column (g)	
		ear gain			4e(3)	,	Line 4 of worksheet for Sch D, line 29	
		ie (loss) (attach schedule)			41	· .	Enter on applicable in of your return	
	5 Guaranteed pay	ments to partner			5	· · · · · · · · · · · · · · · · · · ·	The strategy of the strategy o	
		gain (loss) (other than due					See Partner's Instructions for	
	or theft)	gain (1055) (other than que	to casualty		6		Schedule K-1 (Form 1065).	
		oss) (attach schedule)		-	7		Enter on applicable In of your return	
		ns (see instructions) (attach schedu			8		Schedule A, line 15 or 16	
Deduc-	9 Section 179 expe	ense deduction	· • • • • • • • • • • • • • • • • •		9			
tions		portfolio income (attach schedule).			10	, .	See Partner's Instructions for Schedule K-1 (Form 1065).	
	11 Other deductions (att	ach schedule)	<u> </u>	<u> </u>	11		Schedule K-1 (Form 1003).	
İ	12a Low-income hou							
	(1) From Section	n 42(j)(5) partnerships			12a(1)	<u>.                                    </u>		
ļ	(2) Other than, o	n line 12a(1)		. <i>.</i>	12a(2)		Form 8586, line 5	
}	<b>b</b> Qualified rehabili	tation expenditures related t	o rental real	8			<del></del> -	
Credits		· · · · · · · · · · · · · · · · · · ·			12b			
		an credits shown on lines 12					See Partner's Instructions for	
		real estate activities			12c		Schedule K-1 (Form 1065).	
	d Credits related to	other rental activities			12d	·		
Į	13 Other credits	*.			13			

BAA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

Schedule	K-1 (Form 1065) 2001 WILLIAM E AUSTIN	,		147-26-6254 Page
	(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Invest-	14a Interest expense on investment debts.		•	Form 4952, line 1 .
ment Interest	<b>b (1)</b> Investment income included on lines 4a, 4b, 4c, and 4f		11.	
mileres(	(2) Investment expenses included on line 10.	14b(2)		Schedule K-1 (Form 1065).
Self-	15a Net earnings (loss) from self-employment	15a		Schedule SE, Section A or B
employ-	<b>b</b> Gross farming or tishing income	15b		See Partner's Instructions fo
ment	c Gross nonfarm income	15c		Schedule K-I (Form 1065).
فحد بنائد ۸	16a Depreciation adjustment on property placed in service after 1986		114.	
Adjust- ments	<b>b</b> Adjusted gain or loss	16b		See Partner's
and	c Depletion (other than oil and gas)	16c		Instructions for
Tax Pref-	d (1) Gross income from oil, gas, and geothermal properties	16d(1)		Schedule K-1 (Form 1065) and instructions
erence	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)		for Form 6251.
items	e Other adjustments & tax preference items (attach sch)	16e	0.	SEE LINE 25
	17a Name of foreign country or U.S. possession			
	□ b Gross income from all sources	17b	,	
	c Gross income sourced at partner level		,	1
	d Foreign gross income sourced at partnership level:			
	(1) Passive			
	(2) Listed categories (attach schedule)	17d(2)		1
	(3) General limitation	17d(3)		1
Foreign	e Deductions allocated and apportioned at partner level;			Form 1116, Part I
Taxes	(1) Interest expense	17e(1)		
	(2) Other	17e(2)		1
	f Deductions aflocated and apportioned at partnership level to foreign source income:			
. [	(1) Passive	17((1)		
	(2) Listed categories (attach schedule)	17f(2)		]!
	(3) General limitation	17f(3)		
	g Total foreign taxes (check one): ► Paid Accrued	17g		Form 1116, Part II
,	h Reduction in taxes available for credit (attach schedule)	17h		Form 1116, line 12.
1	18a Section 59(e)(2) excenditures: a Type ►			See Partner's Instructions for
	<b>b</b> Amount	186		Schedule K-1 (Form 1065).
Other	19 Tax-exempt interest income	19		Form 1040, line 8b
	20 Other tax-exempt income	20		
	21 Nondeductible expenses.	21	256.	See Partner's Instructions for
	22 Distributions of money (cash and marketable securities) .	22	11,000.	Schedule K-1 (Form 1065).
	23 Distributions of property other than money	23		
1.	24 Recapture of low-income housing credit:			<del>- 1</del> : : : : : : : : : : : : : : : : : :
	a From Section 42(j)(5) partnerships.	24a		<ul> <li>Form 8611, line 8</li> </ul>
	b Other than on line 24a	24b	<u> </u>	<u></u>
	25 Supplemental information required to be reported separately to each partner (attach as	lditional schedu	iles if more space is need	led);
1	INE 16E - OTHER ADJ & TAX PREF ITEMS:	-		
	PRE87 ACCEL DEPR REAL/LEASED PROP			0
	TOTAL			. 0
				•
upple- nental	•	•	• • •	
Infor-			,	,
nation	· ·	, '		•
1				
				•
.				
			•	•
				•

### Schedule K-1 (Form 1065)

### Partner's Share of Income, Credits, Deductions, Etc.

OMB No. 1545-0099

2001

Department of the Treasury
Internal Revenue Service beginning

For calendar year 2001 or tax year , 2001, and ending

Internal R	even	ue Service	beginning	, 2001, and	ending	, 20	
		dentifying num				s identifying number ►	59-2266760
		e, Address, and ZIP	raitherik	lo: 3	Partnership's Nai	me, Address, and ZIP Code	
		1 AUSTIN E				AND WILLIAM E AU	ISTIN, PTR
		ERVIEW RO		•	1 .	AUSTIN, GEN PTR	
WAITS	SF I	ELD, VT 0:	5673		P.O. BOX		
		1			MORRIS P	<u>LAINS, NJ 07950-</u>	0029
A This			,	d partner		share of liabilities:	
			ompany member	* *	Nonrecou	rse	\$ <u></u>
8 Wha	it ty	pe of entity is t	this partner? ESTATE		Qualified	nonrecourse financing	132,169.
		partnera X do	omestic or a foreign partr	er?	Other		\$13,034
			terrini Buori i	End of year	<b>G</b> Tax shelte	er registration number 🟲	
				50.00000%	H Check her	e if this partnership is a	publicly traded partnership
Loss	s sn	aring	0.00000%	20.00000%	as defined	in Section 469(k)(2)	
UWne	rsnip	or capital	0.00000%	20.00000 %			
			ofiled return: CINCINNATI,	UH	I Check app	olicable boxes: (1)    F	Final K-1 (2) Amended K-1
			s capital account:				
(a)	Cap egir	ital account at ining of year	(b) Capital contributed during year	(c) Partn	er's share of	(d) Withdrawals and distributions	
	~ g,,	aming or your	dainig year	Form 1065	, 4, and 7, , Schedule M-2	2	year (combine columns (a) through (d))
					15,442		15,442.
			(a) Distributive share item			(b) Amount	(c) 1040 filers enter the
			(a) Distributive strate treff			(b) Amount	amount in column (b) on:
		1 Ordinary inc	come (loss) from trade or busin	ness activities	1		
	•		ss) from rental real estate activities			15,655.	See Partner's Instructions for Schedule K-1 (Form 1065).
			ss) from other rental activities				Seriousie II I (1 siii 10as).
	'	4 Portfolio inc					
Income (Loss)		a contract of	er erir er er er er er er er er er er er er er	,		10.	Schedule B, Part I, line 1
(2055)			vidends				Schedule B, Part II, line 5
		c Royalties			4c		Schedule E, Part I, line 4
*			rm capital gain (loss)				Schedule D, line 5, column (f)
			g-term capital gain (loss)			1)	Schedule D, line 12, column (f)
			e gain (loss)			2)	Schedule D, line 12, column (g)
			d 5-year gain			3)	Line 4 of worksheet for Sch D, line 29
			income (loss) (attach schedule)			/	Enter on applicable In of your return
	5	Guaranteed (	payments to partner				
•	6	Net Section or theft)	1231 gain (loss) (other than do	ue to casualty	6		See Partner's Instructions for Schedule K-1 (Form 1065).
	7	Other income	e (loss) (attach schedule)		7		Enter on applicable In of your return
	8		ibutions (see instructions) (attach sche				Schedule A, line 15 or 16
Deduc- tions	9		expense deduction				
nons	10		ted to portfolio income (attach schedule				See Partner's Instructions for
	11	Other deductions	s (attach schedule)				Schedule K-1 (Form 1065).
	12	a Low-income I					`
			ction 42(j)(5) partnerships		12 <b>a(</b> 1	1	
		(2) Other tha	an on line 12a(1)		12a(2	)	Form 8586, line 5
Credits		<b>b</b> Qualified reha	abilitation expenditures related	t to rental real	12 <b>b</b>		· · · · · · · · · · · · · · · · · · ·
			r than credits shown on lines 1		120		See Partner's Instructions for
					12c		Schedule K-1 (Form 1065).
			ed to other rental activities				

BAA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

### 031031 Austin & Austin

### UNAUDIMO Profit & Loss

January through December 2001

· · · · · · · · · · · · · · · · · · ·	
	Jan - Dec 01
Ordinary Income/Expense	
Income	
5000 · Rent Interest Income	183,157.27
5005 · First Morris	40.77
Total Interest Income	40.77
Total Income	183,198.04
Expense	
Admin	10,000,00
Management 6700 Bookkeeping	16,000.00 2,187.00
6706 · Professional Fees	4,469.00
6703 · Telephone	395.09
6708 · Office Supplies	682.45
6707 · Office Expense	231.95
6709 · Postage	334.09
6710 Bank Charge 6712 Plan Bd	124.97
6715 · Travel	260.00 312.51
6702 · Cellular phone	557.86
6705 · Classified Advertising	150.44
6716 · Meals	158.79
Total Admin	25,864.15
Interest Expense 6723 · Frank Stramaglia	5,696.42
Total Interest Expense	5,696.42
Mortgage Interest	
6721 First Morris	8,992.63
Total Mortgage Interest	8,992.63
Taxes 6735 · Property	27,820.29
Total Taxes	27,820.29
Utilities	
6752 · Water	1,923.36
6751 · Sewer	6,681.29
6749 · Electric 6750 · Gas	3,656.93
6717 · Fire Service	1,432.93 1,125.15
Total Utilities	
6719 · Maintenance	14,819.66
Company	6,245.05
Total 6719 · Maintenance	6,245.05
6718 · Insurance	5,678.00
6730 · Owner Life Insurance	879.00
6720 · Commission	3,439.17
6755 · Amortization	86.00
6756 Depreciation	11,583.00
Total Expense	111,103.37
Net Ordinary Income	72,094.67
Other Income/Expense	
Other Expense	
Suspense	0.00
Total Other Expense	0.00
N-4 Otto 1	

**Net Other Income** 

0.00

6:49 AM
01/28/07
Accrual Basis

# 031031 Austin & Austin Profit & Loss January through December 2001

Jan - Dec 01

Net Income

72,094.67

01/28/07 **Accrual Basis** 

## 031031 Austin & Austin

Balance Sheet UNAUつから As of December 31, 2001

ASSETS		-
Current Assets		
Checking/Savings		44.41
1001 · FMB Checking 1003 · FMB Money Market		44.41 3,538.95
•	``	
Total Checking/Savings	·	3,583.36
Accounts Receivable 1010 - Accounts Receivable		8,017.27
Total Accounts Receivable		8,017.27
Total Current Assets		11,600.63
Fixed Assets	·	
Real Estate	•	
Morristown, New Jersey		
Cost Basis 1970 2020 · Land	27,741.00	
2121 · Building	64,325.00	
Total Cost Basis 1970	92,066.00	
Accumulated Depreciation		
2023 · SL 25.0 yr	-64,325.00	
<b>Total Accumulated Depreciation</b>	-64,325.00	
Improvements 1973		
2025 · Cost	12,337.00	
Accumulated Depreciation 2027 · S/L 15 yr	-12,337.00	
Total Accumulated Depreciation	-12,337.00	
Total Improvements 1973	0.00	•
Improvements 1981		
2029 · Cost	18,928.00	
Accumulated Depreciation 2031 · PRE 15.0 yr	-18,928.00	
•		•
Total Accumulated Depreciation	-18,928.00	
Total Improvements 1981	. 0.00	
Improvements 1982		
2035 · Cost	37,068.00	
Accumulated Depreciation 2037 PRE 15.0 yr	-37.068.00	
Total Accumulated Depreciation	-37,068.00	
Total Accumulated Depreciation	-57,000.00	
Total Improvements 1982	0.00	
Pavement 1982		•
2039 · Cost	450.00	
Accumulated Depreciation 2041 · S/L 5 yr	-450.00	
Total Accumulated Depreciation	-450.00	•
Total Pavement 1982	0.00	
Improvements 1983		•
2043 · Cost	2,472.00	
Accumulated Depreciation		
2045 · PRE 15.0 yr	-2,472.00	
Total Accumulated Depreciation	-2,472.00	
Total Improvements 1983	0.00	
Improvements 1992		
	•	

### 6:52 AM

. 01/28/07 Accrual Basis

### 031031 Austin & Austin **Balance Sheet**

As of December 31, 2001

	Dec 31, 01
2051 · Depreciablie Cost	8,636.91
Accumulated Depreciation 2053 · SL MM 31.5 yr	-2,581.00
Total Accumulated Depreciation	-2,581.00
Total Improvements 1992	6,055.91
Tank Removal 1992	5,050.51
2055 · Depreciable Cost Accumulated Depreciation	54,009.24
2057 · SL MM 20.0 yr	-23,933.57
Total Accumulated Depreciation	-23,933.57
Total Tank Removal 1992	30,075.67
HVAC/VIP Carrier 1994 2059 Depreciable Cost	2,047.50
Accumulated Depreciation	2,047.00
2061 · SL MM 39.0 yr	-414.00
Total Accumulated Depreciation	-414.00
Total HVAC/VIP Carrier 1994	1,633.50
Improvements 1995 2066 · Depreciable Cost	5 450 00
Accumulated Depreciation	5,459.00
2068 · 200 DB HY 7.0 yr	-5,216.00
Total Accumulated Depreciation	-5,216.00
Total Improvements 1995	243.00
Tank Removal 1995 2070 · Depreciable Cost	1,981.00
Accumulated Depreciation 2072 · SL MM 20.0 yr	-651.00
Total Accumulated Depreciation	-651.00
Total Tank Removal 1995	1,330.00
Roof 1996	
2074 · Depreciable Cost Accumulated Depreciation	6,700.00
2075 · SL MM 39.0 yr	-866.00
Total Accumulated Depreciation	-866.00
Total Roof 1996	5,834.00
Improvements 1998 2076 · Dedpreciable Cost	67,107.82
Accumulated Depreciation	
2077 · SL MM 39.0 yr Total Accumulated Depreciation	-4,231.00 -4,231.00
	The same of the sa
Total Improvements 1998	62,876.82
Improvements 1999 2087 · Depreciable Cost	91,901.21
Accumulated Depreciation 2088 - St. MM 39.0 yr	-5,792.00
Total Accumulated Depreciation	-5,792.00
Total Improvements 1999	86,109.21
Improvements 2000	
2094 · Depreciable Cost	224,434.95

**Accumulated Depreciation** 

01/28/07 Accrual Basis

### 031031 Austin & Austin Balance Sheet As of December 31, 2001

	Dec 31, 01
2095 · SL MM 39.0 yr	-1,678.00
<b>Total Accumulated Depreciation</b>	-1,678.00
Total Improvements 2000	222,756.95
Improvements 2001 2001 Depreciable Cost Accumulated Depreciation 2003 SL MM 39.0 yr	139,049.67
Total Accumulated Depreciation	-1,040.00
Total Improvements 2001	138,009.67
Legal Fee - Refinance 1986 2047 · Depreciable Cost Accumulated Amortization 2049 · Amort 19.0 yr	1,639.00 -1,376.00
<b>Total Accumulated Amortization</b>	-1,376.00
Total Legal Fee - Refinance 1986	263.00
Total Morristown, New Jersey	582,928.73
Total Real Estate	582,928.73
Office Equipment Cellular Phone 1/1/01 2098 · Cost 2099 · Accumulated Depreciation	104.27 -15.00
Total Cellular Phone 1/1/01	89.27
Cellular Phone 10/6/99 2078 · Cost	137.79
Total Cellular Phone 10/6/99	137.79
Cellular Phone 12/01/97 2086 · 200 DB HY 7.0 yr	-54.00
Total Cellular Phone 12/01/97	-54.00
Cellular Phone 1996 Accumulated Depreciation 2079 · 200 DB HY 7.0 yr	-24.00
Total Accumulated Depreciation	-24.00
Total Cellular Phone 1996	-24.00
Computer 1994 Accumulated Depreciation 2083 - 200DB MQ 5.0 yr	0.02
Total Accumulated Depreciation	0.02
Total Computer 1994	0.02
Computer 2/1/00 2096 · Depreciable Cost 2097 · Accumulated Depreciation	2,151.03 -1,118.00
Total Computer 2/1/00	1,033.03
Disc Drive 4/14/01 2104 · Cost 2105 · Accumulated Depreciation	216.14 -43.00
Total Disc Drive 4/14/01	173.14
Disc Drive 11/9/99 2089 · Cost 2090 · Accumulated Depreciation	180.19 -128.00
• • • • • • • • • • • • • • • • • • • •	

### 031031 Austin & Austin Balance Sheet

As of December 31, 2001

	·
Total Disc Drive 11/9/99	52.19
Fax 1/28/01 2100 · Cost 2101 · Accumulated Depreciation	148.39 -30.00
Total Fax 1/28/01	118.39
Scanner 11/24/99	. 110.55
2091 · Cost 2092 · Accumulated Depreciation	137.77 -98.00
Total Scanner 11/24/99	39.77
Shredder 2/26/01 2102 · Cost 2103 · Accumulated Depreciation	35.78 -7.00
Total Shredder 2/26/01	28.78
Total Office Equipment	1,594.38
Total Fixed Assets	584,523.11
TOTAL ASSETS	596,123.74
LIABILITIES & EQUITY  Liabilities	A Company of the Comp
Current Liabilities Accounts Payable 3000 Accounts Payable	1,414.35
Total Accounts Payable	1,414.35
Total Current Liabilities	1,414.35
Long Term Liabilities Loans Payable 3003 · Rub-A-Dub Loan 3511 · Frank Stramaglia	131,362.54 53,303.97
Total Loans Payable	184,666.51
Mortgages Payable First Morris Bank 3509 · 10084002 3512 · 10084003	34,859.33 44,810.55
Total First Morris Bank	79,669.88
Total Mortgages Payable	79,669.88
Security Deposits Payable 3501 New Image Cleaners 3506 The Fish Market 3504 Mane Ambiance 3502 Curves for Women 3503 State Farm Insurance 3505 Conroy's Florist #8	7,488.97 3,200.00 3,328.00 3,648.00 4,402.67 4,000.00
Total Security Deposits Payable	26,067.64
Total Long Term Liabilities	290,404.03
Total Liabilities	291,818.38
Equity Capital Accounts Peter S. Austin 4002 Equity	127,105.34
Total Peter S. Austin	127,105.34
William E. Austin	127,105.54

6:52 AM

01/28/07 Accrual Basis

### 031031 Austin & Austin Balance Sheet As of December 31, 2001

4005 · Equity	127,105.34
Total William E. Austin	127,105.34
Total Capital Accounts	254,210.68
4007 · Opening Bal Equity 4008 · Retained Earnings Net Income	0.01 -22,000.00 72,094.67
Total Equity	304,305.36
TOTAL LIABILITIES & EQUITY	596,123.74